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DEPARTMENT OF OVERSEAS TRADE.



REPORT

ON THE

ECONOMIC AND FINANCIAL
SITUATION

OF

EGYPT.

Dated April, 1923.

BY

MR. E. HOMAN MULOCK,

British Commercial Agent for Egypt, The Residency, Cairo.



LONDON:
PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE.

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DEPARTMENT OF OVERSEAS TRADE.

COMMERCIAL REPRESENTATION ABROAD.

In order to foster British overseas trade to the utmost extent, the Department of Overseas Trade has developed and controls the following Services of Commercial Intelligence Officers overseas :

- (1) The Trade Commissioner and Imperial Trade Correspondent Services in the Empire.
- (2) The Commercial Diplomatic Service attached to the British Diplomatic Missions in foreign countries.
- (3) The British Consular Service in foreign countries.

1. At the present time there are 12 Trade Commissioners' offices established in various parts of the Empire overseas, viz., four in Canada, at Montreal, Toronto, Vancouver, and Winnipeg, respectively; two in South Africa, at Johannesburg and Cape Town; two in Australia, at Melbourne and Sydney; one in India (to cover Ceylon), at Calcutta; and one each in New Zealand, at Wellington; in British East Africa, at Nairobi; and in the British West Indies, at Trinidad.

The Trade Commissioners in the Dominions have the assistance of Imperial Trade Correspondents at a number of important centres, and the Department also has the services of Correspondents in various parts of the Empire, in which at present there is no Trade Commissioner.

2. The Commercial Diplomatic Service consists of between thirty and forty posts in all, and the officers of the Service are stationed in all the more important foreign markets of the world. The members of the Commercial Diplomatic Service are styled "Commercial Counsellors" in the highest grade, and "Commercial Secretaries" in the three lower grades. They are members of the staff of the British Embassy or Legation in which they serve.

The Commercial Diplomatic Officer has general supervision over the commercial work of the Consular Officers in his area, and with the co-operation of these two Services a complete network of Government Commercial Representatives is thrown over foreign countries.

The Department is represented in Egypt by Mr. E. Homan Mulock, British Commercial Agent for Egypt, The Residency, Cairo.

3. The Consular Service has been re-organised and established on an improved footing. Emphasis is being thrown on the importance of the commercial side of Consular work, and every effort is being made to recruit for the Consular Service men with the necessary qualifications for the work which they will handle.

4. Members of British firms are urged to call upon the Department's Representative abroad when they visit an overseas country. It is also important that they should make a point of their Representatives abroad keeping in close touch with the Department's officers.

A handbook giving further details of the above Services, can be obtained on application at the Department of Overseas Trade, 35, Old Queen Street, S.W. 1.

NOTE.

It should be understood that the views expressed in annual reports are the views of the officers themselves, and are not necessarily in all respects the views of the Department.

TABLE OF CONTENTS.

	PAGE
Table of Egyptian Weights and Measures, Currency, etc., with English Equivalents.	5
 I.—ECONOMIC AND FINANCIAL SITUATION—	
Trade Balance	6
Foreign Trade	6
Cotton Exports..	7
Cotton Prices	7
Depreciation of Sakellarides <i>v.</i> Ashmouni	7
Sakellarides <i>v.</i> American	8
Cultivation of Sakellarides and other Varieties	8
Distribution of Cotton Acreage	9
Restriction of Cotton Areas	9
Acreage, Yield and Crop Estimates	9
Budget for 1923–24—	
Customs, Receipts, etc.	12
Railways	13
Suez Harbour Works, etc.	13
Government's Policy towards Trade, <i>e.g.</i> —	
Sugar Control	13
False Lapping Legislation	14
Government Loans to Industry	14
Economic Council	14
 II.—TRADE :—	
Imports—	
Coal and Cereals	15
Decline in British Percentage	15
Principal Items in United Kingdom Decreases	16
Shares of Principal Countries	17
Competition—	
U.S.A.	17
Cotton Piece Goods under Special Tariff	17
Textiles—general	18
Cement	19
Motor Vehicles	20
Exports in general	20
Promotion of Trade and Industry—	
Advertising	21
Industrial Combine	23
Methods of Business—	
Textiles	23
Retailing of Proprietary Articles	24
Motor Trade	24
False Folding of Piece Goods, etc.	25

III.—INDUSTRY AND PRODUCTION—**Industries—**

Mining	26
Quarrying	26
General	27
Native	28

Mining Output—**Petroleum—**

Oil Storage Regulations, etc.	30
Manganese Ore	30
Phosphate	30
Mineral Colours	31

IV.—TRANSPORT AND COMMUNICATIONS—**Shipping—**

Passenger Traffic, etc.	31
Quarantine Tariffs	31
Suez Harbour Works	32
Local Motor Transport	32

V.—SOCIAL QUESTIONS—

Housing Problem	33
Cost of Living	34

APPENDICES—

I.—Exports of Raw Cotton in 1921 and 1922	35
II.—(a) Quantity ; (b) Value of Raw Cotton exported during 1920–21 and 1921–22 Seasons	36
III.—Proportions and Percentages of Areas sown with Sakel and Ashmouni in years 1917 to 1922	38
IV.—Acreage under Cotton, and Total Yield during 1917–18 to 1922–23 Seasons	40
V.—Summary of Value of Imports, classified by Categories, in 1921 and 1922, together with averages for 1917–21 ..	41
VI.—Imports of Coal, Wheat, and Wheat Flour in 1921 and 1922	42
VII.—Actual Shares and Percentages of Total Imports in 1913 and 1917–22 of United Kingdom and her Colonies ..	43
VIII.—Total Value of Imports from Principal Countries in 1921 and 1922	44
IX.—Imports of Benzine, Kerosene and Mazout (oil Fuel) in 1921 and 1922	45
X.—(a) and (b) Imports of Cotton Piece Goods in 1921 and 1922 under Special Tariff ; and (c) explanation of same ..	47
XI.—False Folding of Cotton Piece Goods. Summary of Decree in force from 19th June, 1923	50
XII.—Summary of Value of Exports, classified by Categories, in 1921 and 1922, together with averages for 1917–21 ..	51
XIII.—Total Value of Exports to Principal Countries in 1921 and 1922, together with averages for the years 1917–21 ..	52
XIV.—Customs and Excise Duties (in force in April, 1923) ..	53

TABLE OF LOCAL CURRENCY, WEIGHTS AND MEASURES MOST IN USE IN
EGYPT, AND THEIR BRITISH EQUIVALENTS.

1 kilogramme ..	= 2.226 rotls or .801 oke	= 2.205 lbs.
1 metric ton ..	= 22.258 cantars	.. = 19.684 cwts.
* 1 cantar ..	= 100 rotls ..	.. = 99.0493 lbs.
1 rotl ..	= 144 dirhems ..	.. = 0.9905 lbs.
1 oke ..	= 400 dirhems ..	.. = 2.75137 lbs.
1 heml ..	= 200 okes ..	.. = 550.274 lbs.
† 1 ardeb ..	= 96 kadahs ..	.. = 43.455 gallons or 5.444 bushels.
1 keila ..	= 8 kadahs ..	.. = 3.63 gallons.
1 rob ..	= 4 kadahs ..	.. = 1.815 gallons.
1 kadah ..	= $\frac{1}{8}$ ardeb ..	.. = 3.630 pints.
1 feddan ..	= 24 kirats ..	.. = 5024.16 square yards or 1.038 acres.
1 £E. ..	= 100 piastres tariff	.. = £stg. 1.0s. 6.154d. (at par, i.e., 97.5 P.T. to the £stg.).
1 tallari (\$) ..	= 20 piastres tariff	.. = 4s. 1 $\frac{1}{4}$ d.

* 1 cantar of unginned cotton, 315 lbs.; and of ginned cotton, 100 lbs.

† Approximate weight of an " ardeb " of various seeds :—

Wheat, 150 kilos. Barley, 120 kilos. Lentils, 157 kilos (whole).

Beans, 155 kilos. Maize, 140 kilos. Lentils, 132 kilos (split).

Weights (approx.).

1 bale of steam-pressed cotton ..	..	..	7.75 cantars.
1 bale of cotton pressed hydraulically ..	..	..	8.50 "
1 ardeb of cotton seed ..	..	..	270 rotls or 267 lbs.
8 $\frac{1}{2}$ ardebs of cotton seed ..	..	..	1 ton.
3 bales of steam-pressed cotton ..	..	..	1 ton 85 lbs.

N.B.—In Egypt liquids are often bought and sold by weight, and there are no special Arabic liquid measures.

**REPORT
ON THE
ECONOMIC AND FINANCIAL SITUATION OF
EGYPT.**

ECONOMIC AND FINANCIAL SITUATION

The year 1922, as compared with its three post-armistice predecessors which have formed the subject of these annual reports, has been mediocre and unsatisfying in spite of indications to the contrary, such as a favourable trade balance, large exports of cotton, and a considerable budget surplus on 31st March, 1923, the end of the financial year 1922-23.

Trade Balance.—During the years 1919 to 1922 inclusive, the trade balance has varied between an excess of exports and re-exports combined over imports of £E. 32 million in 1919, and an unfavourable balance of trade of about 13 millions, in each of the years 1920 and 1921, concluding with a return in 1922 to the favourable situation of 1919, though with the very much smaller margin of just over £E. 8 million.

It will be seen from the figures given below of the comparative trade situations in 1921 and 1922 that Egypt's favourable trade balance in 1922 was due to a decrease of imports greater than the net increase in exports and re-exports.

—	1921. £E.	1922. £E.	Increase (+) or decrease (-) over 1921. £E.
Exports	36,356,062	48,716,418	+ 12,360,356
Re-exports	6,127,894	2,661,246	- 3,466,648
Total	42,483,956	51,377,664	+ 8,893,708
Imports	55,507,984	43,333,938	- 12,174,046

Total Foreign Trade.—The foregoing figures also show that the total foreign trade of Egypt fell from nearly £E. 98 million in 1921 to just under £E. 94½ million in 1922, but this decline, though unsatisfactory from an economic point of view, is as nothing compared with the fall in 1921 from over 190 millions in 1920, to which the total had risen from well over 127 millions in 1919.

The rise in exports, and the decline in imports, in 1922 as compared with 1921, are more fully dealt with under their respective headings, but the economic and financial situation of Egypt

is so closely bound up with cotton that this all-important factor in the production of imports as well as exports cannot properly be dealt with as a mere export.

Cotton Exports.—It is true that both the quantity and value of exports of cotton have increased during the year 1922 as against 1921, and in the 1921–22 cotton season as compared with that of 1920–21, but Appendix I shows that although the total quantity exported in the year 1922 was appreciably above the average for the years 1919 to 1921, the corresponding value does not compare at all favourably with the average value for the same three years, and that the increase in quantity in 1922 over 1921 is not accompanied by so great a proportionate increase in value as one might be led to expect from so large a demand. This is even more so in the case of the 1921–22 cotton season, as compared with that of 1921–21, since it will be seen from Appendix II (a) and (b) that, as the result of an increase in value of 65 per cent. as compared with a 70 per cent. increase in quantity, the price per cantar fell from £E. 6.844 mms to £E. 6.631, or \$34.21 to \$33.15. The same Appendix, which is so arranged that the movements of cotton exports during the first four and last eight months of the 1920–21 and 1921–22 cotton seasons respectively, and consequently during the calendar years to which those periods belong, are shown separately, also clearly indicates the fluctuations in total quantity and value and in the average price per cantar, which latter has varied between \$56.04 for the first, and \$23.01 for the second, period of the 1920–21 season, improving to \$37.43 but declining to \$31.36 for the corresponding periods of the 1921–22 season.

Cotton Prices.—As the last quoted figure fell only to \$29.72 for the last four months of the year 1922 it has been characterised by a very small variation in the weekly spot prices at Minet-el-Bassal, Alexandria, both of Sakellarides and Ashmouni (taking the Fully Good Fair grade in each case), since in spite of the former variety reaching a maximum level of \$40.50 and a minimum figure of \$29.50, both occurring in January, 1923, the mean for the year of weekly maxima and minima was only \$35.79 and \$33.02 respectively, while the corresponding figures for Ashmouni were only \$26.54 and \$24.75 in spite of a maximum of \$31.25 and a minimum of \$20.50 having been reached, also both in January, 1923.

Depreciation of Sakellarides v. Ashmouni.—A far more significant and disquieting feature of cotton prices during the period under review in this report is the narrowing of the margin that normally exists between the values of Sakellarides and Ashmouni on the one hand, and between that of Sakellarides and American cotton on the other. The normal difference between the Fully Good Fair grade of the two chief varieties of Egyptian cotton is from \$10 to \$12 per cantar, for both spot and futures, but during 1922 this margin fell from about \$9 in January to about \$6 in December, and dropped as low as \$2 in February, 1923, rising again to about \$3 on March 31st.

Sakel v. American.—A still more serious situation arises as the result of the narrowing of the premium between Sakellarides Good Fair and American Fully Middling. During 1922 the maximum weekly difference in dollars per cantar between the prices at Liverpool fell from \$18·32 on January 6th to \$5·45 on December 1st, while the minimum fell from \$11·89 in May to \$3·70 in December. Similarly, as regards maximum weekly spot prices in pence per pound at Liverpool, the margin of 9·11*d.* on January 6th, 1922, when Sakel stood at 20·50*d.* and American at 11·39*d.*, fell to 2·40*d.* on December 8th, when Sakel had declined to 16·75*d.* and American had risen to 14·35*d.*; and it may be of interest to note that on November 10th, when American reached the highest weekly spot price recorded for the year 1922, viz., 15·65*d.*, Sakel only stood at 18·40*d.*, thus giving a margin of only 2·75*d.* This state of affairs is presumably in sympathy with the narrowing of the premium between Fully Good Fair Sakel and Middling American, which is due to the comparatively increased demand for short-stapled cotton, owing to the decreased buying power of the consumer; short-stapled cotton being used for necessities and finer cotton for articles of luxury. In addition, short-stapled cotton has to a large extent replaced long-stapled in the manufacture of tyres, especially in America.

Cultivation of Sakel and other varieties.—The effect of this state of affairs on the economic situation of Egypt will be far-reaching if it tends to increase the cultivation of Ashmouni and shorter staple cottons on a considerable scale at the expense of Sakel, which can only hold its own with its more prolific Egyptian rivals so long as the margin of price is commensurate with the difference in yield per *feddan* (acre). Diminished cultivation of Sakel is therefore a contingency that must be envisaged and may have to be faced as a result of a persistent lack of demand or at best a fitful or unremunerative demand for this variety of cotton, which although only introduced for the first time in 1911 has so far virtually superseded all other varieties, and assured Egypt's unchallenged supremacy as a producer of cotton for the finer counts.

Suffice it to say that in lower Egypt, where the proportion of Sakel averaged nearly 92 per cent. during the years 1917-21 and rose to about 97 per cent. in 1922, the percentage of varieties other than Sakel that is being sown this (1923-24) season is as high as 20 per cent. as against only about 3 per cent. in 1922-23. (See Appendix III for details as to percentages.)

It is quite impossible, assuming that so epoch-making and radical a change and reversal in cotton cultivation in Egypt does take place, to gauge or foresee how long the process would require, but the rise of Sakellarides itself, from obscurity in 1911 to undisputed prominence in 1915 and increasing supremacy over all other varieties from that year onwards; is a concrete instance of the rapidity with which an outstanding variety is capable of progressing in popular favour, while the complete fall from grace

of Mit Afifi during the years 1906 to 1914 and onwards may be taken as a possible indication of the fate that may await Sakellarides. Expressed in terms of percentages of the *total* areas under cotton in given years, the changes in the positions of Sakel and Mit Afifi were as follows :—Sakel rose from 7 per cent. in 1911 to about 47 per cent. in 1915—which was the lion's share in view of other varieties sharing the balance—and thence to 72·5 per cent. in 1918 and 77 per cent. in 1921, while Mit Afifi fell from 77 per cent. in 1906 to 50 per cent. in 1911, thence to 18 per cent. in 1915 and 2½ per cent. in 1918 and onwards, having actually reached in 1916, and since then maintained a lower level of percentages of cotton area than all secondary varieties, *i.e.*, those other than Sakel and Ashmouni which latter variety has never risen above 22 per cent. of the total.

Distribution of cotton acreage.—The exact proportions borne by these two varieties to the *total* acreage sown with cotton in 1922 (to be marketed in the current, *i.e.*, 1922-23 season) as compared with those in the years 1917 to 1921, will be found in Appendix III, which also shows that while the average for those years of the percentage of the total area devoted to Sakel was 71·5, in 1922 this stood at 75·4. It will be seen, however, that the proportion of the total under Ashmouni in 1922 was below the average for the 5 previous years, in spite of the total acreage reaching a figure not far short of the record attained in 1920 when cultivation was not restricted in any way.

Restriction of Cotton Areas.—In this connection it is interesting to note that, although the legislative restriction of cotton cultivation to one-third of each man's holding, which was first applied in 1921, was subsequently extended in 1922 and 1923, the total acreage should, as the result of evasions of the law by means of applications for exemption and in other ways, have proved such a mockery of what a restricted area should be, and it is hoped that the measures which the Egyptian Government are adopting in order to ensure and enforce strict observation in 1923 of the law restricting cotton cultivation will reduce to a minimum the risk of artificial rises in cotton prices being created by an apparent shortage based on estimates of acreage and proportionate yield, that prove erroneous.

Acreage, Yield and Crop Estimates.—It is difficult enough, as it is, to frame reliable crop estimates, owing to a variety of factors which are either not constant or impossible to determine, but this difficulty becomes greatly aggravated when an acreage that, as the result of restriction, should not exceed 1,300,000 to 1,400,000 feddans at the outside, turns out to be more than 1,800,000 feddans and only 27,000 feddans short of the highest recorded area in the history of cotton cultivation in Egypt.

In the three years previous to 1922 when area was restricted by decree, the acreage under cotton was 1,186,004 feddans in 1915; 1,315,572 in 1918; and 1,291,889 in 1921; the mean of

these three being 1,264,488, which can be taken as the minimum extent of a restricted area.

The official estimate of crop visible on 26th December, 1922, was 4,900,000 cantars, which allows a yield per feddan of only 2.72 cantars over a total area of 1,800,000 feddans, but it will be seen from Appendix IV, which gives the cotton acreage and total yield, in other words the total arrivals at Alexandria during the complete period from 1st September, in one year to 31st August in the next, for the cotton seasons 1917-18 to 1921-22 inclusive, and for the 1922-23 season till 31st March, 1923, that the average yield per feddan for those five completed seasons is 3.44 cantars, or 0.7 of a cantar more than that taken as the basis of the official estimate of yield quoted above. Assuming that 3.50 cantars per feddan is a fair and conservative basis for calculation, this figure would give an acreage of 1,400,000 for a crop of 4,900,000 cantars, which would constitute a genuine restricted area. Alternatively, applying the same basis of yield per feddan to the actual acreage of 1,801,843, the total crop for the 1922-23 season becomes 6,306,450 cantars, and the total yield 6,595,450 cantars.

As the total yield for completed seasons is the total of arrivals during the corresponding periods, the carry-over in the provinces on the opening day of each season should always be deducted from the total arrivals by any given date in the course of any season, in order to determine the exact amount of that season's crop that has so far reached Alexandria. The carry-over in the provinces on 1st September, 1922, was officially estimated at 289,009 cantars, which figure, deducted from the total arrivals at date of writing, viz., 6,332,727 cantars, gives a provisional total of crop arrivals for 1922-23 of 6,043,718 cantars, leaving a balance of some 260,000 cantars still in the provinces.

Arrivals for the 33 weeks of the current season, including that ending on April 20th, 1923, have averaged 191,900 cantars per week (as against a weekly average for the same period of 141,991 cantars in the 1921-22 season, and 112,836 in that of 1920-21); but even a conservative estimate of 26,000 cantars a week will dispose of the balance in another 10 weeks so that the chances of there being any carry-over in the provinces are but infinitesimal, provided the figures on which these calculations are based are as nearly correct as is possible, while there is the further probability that the enforcement of the Ginning Law in 1923 (suspended in 1921 and 1922 because of the lack of demand) by which all cotton must be ginned by April 30th, will have the effect of speeding up arrivals until that date.

Exports for the 33 weeks of the season including that ending April 20th totalled 5,874,369 cantars (as against 4,258,850 for the same period in the 1921-22 season, and 2,302,265 in 1920-21). Exports up to April 20th, 1923, averaged 178,011 cantars weekly (as against 129,059 for the same period in 1921-22, and 69,765 in 1920-21), but a weekly average of not more than 108,057 cantars for the remaining 19 weeks of the 1922-23 season would

suffice to dispose of the remainder of the entire estimated visible supply of cotton, viz., 7,927,450 cantars, consisting of the estimated total yield added to the carry-over at Alexandria on September 1st, 1922, viz., 1,332,000 cantars, and leave no carry-over at all to 1923-24.

An interesting side-light on the possibility of little or no carry-over resulting from exporting the bulk or all of the visible supply of 7,927,450 cantars, is thrown by the totals given below in thousands of cantars, of carry-over, crop, and exports for the 1910-11 to 1913-14 seasons inclusive, viz:—

Seasons.	Carry-over on 1st September.	Crop.	Exports.
1910-11 ..	282	7,505	7,479
1911-12 ..	316	7,386	7,367
1912-13 ..	350	7,499	7,375
1913-14 ..	491	7,664	7,369
Average ..	360	7,513	7,397

The vagaries of demand are too well known to make it possible to forecast how much cotton will be exported between April 21st and August 31st, 1923, but there would seem to be good grounds for hoping that the carry-over to 1923-24 will not be large; the more this hope is realized, the greater the chances of a rise in cotton prices during the 1923-24 season, resulting from the supply available being limited to or not much more than the crop that can be expected from a properly restricted area, so long as the yield per feddan tends to decrease, or at best, remain at a level appreciably lower than the average of pre-war years which, during the four quinquennial periods comprised in the years 1895 to 1914, fell from 5·47 cantars per feddan to 4·27. Many reasons are given by experts for the decline in yield of cotton, but not the least of these is the lack of drainage in certain areas, which will not be adequately remedied so long as economies are effected at the expense of irrigation and drainage in Egyptian budgets.

Budget for 1923-24.—In the preamble to the 1923-24 budget it is admitted that the estimated surplus of at least £E. 6,125,000 available from 1922-23 is largely due to the non-execution of public works which should have been completed in the financial year ending March 31st, 1923, and to the delay in carrying out new works, such as Government buildings in particular, and the upkeep and renewal of the railway, irrigation and drainage systems, which will require a considerable expenditure of time and money before they can be brought to a satisfactory conclusion.

Of this estimated surplus of £E. 6,125,000, the sum of £E. 5,000,000 is to be added to the General Reserve Fund, which will thus be brought up to a total of about £E. 11 millions, while the remainder is to form a Special Reserve to cope with the

arrears of salaries of Government officials and employees resulting from the regrading of the entire Administration.

Budgetary receipts for 1923-24 including the Special Reserve, are estimated at the total of £E. 34,905,000, and expenditure at £E. 34,355,000, thus providing for a surplus of receipts over expenditure of £E. 550,000. Expenditure and receipts are respectively £E. 2,915,000 and £E. 1,275,000 more than those budgeted for in 1922-23.

The financial, as distinct from the economic, situation of Egypt is thus most satisfactory, and it is believed that the eventual surplus resulting from the working of the financial year 1922-23 will prove to be appreciably greater than that estimated for on March 31st, 1923.

Further, although speculation in European currencies which have depreciated has made considerable inroads into the public fortune of Egypt, this has not affected the capacity of the Egyptian market to accommodate with ease all offers from European sellers of Egyptian securities and in particular the Egyptian Unified Debt.

The following features in the 1923-24 budget are of interest as directly affecting, or affected by, the financial and economic situation :—

Customs Receipts.—These are estimated at a lower figure than in 1922-23 in anticipation of a possible diminution of foreign trade.

State Domains revenue is reduced from £E. 983,000 to £E. 782,000 partly owing to the lowering of rents by the Agricultural Rent Commissions, and partly to the fall in cotton prices.

Interest on Investments is increased from £E. 1,061,000 to £E. 1,279,000 as new investments, totalling £E. 4 million are forecasted.

Note Issue is estimated at £E. 30,000,000, which is £E. 3,200,000 less than the figure to which it fell on December 31st, 1922. In view of the close relation between the foreign trade of the country and the note issue the following remarks thereon from the Annual Report of the National Bank of Egypt for the year 1922 are of interest :—

" Our note issue which was £E. 37,000,000 on January 1st, 1922, fell gradually till the end of August, when it touched its lowest point during the year, viz., £E. 26,300,000. On December 31st it was back to £E. 33,200,000, showing a decrease of nearly 4 millions.

" The following figures give the highest and lowest point reached by the Issue during each of the past five years. It must be remembered, however, that this was an abnormal period, and it would be incorrect to draw any pessimistic conclusions from the difference between the highest and lowest figure attained :—

Year.	Highest.			Lowest.	
		£E.		£E.	
1918	46,100,000	29,200,000
1919	68,200,000	39,900,000
1920	66,000,000	39,400,000
1921	39,900,000	30,400,000
1922	37,300,000	26,300,000

Railways.—Receipts are reduced by £E. 604,000 of which £E. 400,000 results from a revision of the amount of revenue which this Administration can expect to obtain from the existing tariff under present economic conditions, while the balance provides for the contemplated reduction in passenger fares and possibly freight rates. Ordinary passenger fares which are at present 100 per cent. in excess of pre-war rates, are to be reduced as from June 1st, 1923, as follows:—First class, 30 per cent.; second class, 20 per cent.; third class, 10 per cent.; season tickets as from May 1st by proportions varying from 7½ per cent. to 33½ per cent. Expenditure includes an additional £E. 120,000 brought forward from 1922—23, of which £E. 100,000 is for the purchase of locomotives and the remainder for work on the new terminus at Alexandria, while a further £E. 70,000 is to be used for renewal of permanent way.

Harbour Works.—£E. 200,000 is allowed for Suez Harbour Works, which came to a standstill in June, 1922, owing to the cancellation by the Egyptian Government of the contract awarded in October, 1918, to a Dutch dredging company; but this sum cannot be utilized without the previous sanction of the Ministry of Finance, and as there are technical difficulties in the way of the invitation of fresh tenders, it is to be feared that the Egyptian petroleum industry will continue for some time yet to suffer from the non-completion of the oiling basin which forms an essential part of the Suez Harbour Works scheme.

Petroleum.—£E. 84,000 as against £E. 176,000 in 1922—23, is allowed for the Egyptian Government's drilling operations at Abu Shaar and Abu Durba in the hope of solving the difficult question of determining the position of the petroleum deposits in Egypt. The cost of exploiting the Government's refinery at Suez is estimated at £E. 24,700, and the revenue to be derived therefrom at £E. 70,000.

Government's Policy towards Trade.—Other instances of the Egyptian Government's policy of helping trade by removing so far as possible all restrictions thereon, and in other ways, consist of the following:—

- (1) Reduction, in September, 1922, of the excise tax on ginned cotton of P.T. 35 per cantar to P.T. 25.
- (2) Reduction of railway rates, referred to in discussing the 1923—24 budget.
- (3) Export of sugar and sugarcane allowed freely, as from April 1922, to any destination.
- (4) Termination as from May 10th, 1923, of sugar control, and simultaneous removal of prohibition to import sugar, raw and refined, and glucose.

Under the agreement between the Egyptian Government and the Société Générale des Sucreries et Raffineries, their monopoly for the sale of sugar in Egypt was renewed in April, 1922, for a further year as from the following August 1st, subject to the price being fixed at £E. 35 per ton, subsequently increased to

£E. 36 as from June 15th, 1922, by the revival of the excise duty of £E. 1 per metric ton on all sugar refined or manufactured in Egypt by mechanical means, which had been suspended since March, 1920. Fortunately for the consumer, however, the disposal of the company's surplus stocks, which necessitated the renewal of the agreement, will not occupy the entire 12 months, with the result that cheap foreign sugar will be available nearly three months sooner than was otherwise expected, provided the world's parity remains below Egyptian prices.

(5) *Legislation to prevent false lapping.*—A Royal Decree published in the Official Journal of June 19th, 1922, which came into force on June 19th, 1923, provides for the prevention of the false lapping and marking of imported cotton piece goods by prohibiting the withdrawal from the customs of any that are not folded or marked in accordance with the provisions of this decree.

The summary of the text of this important and much-needed decree is given in Appendix XI. If certain suggested modifications are adopted, the law on false-lapping will cover all textiles of any material of which the laps or folds are creased, and will also render liable to prosecution any firm or person who refolds, contrary to its provisions, textile goods after they have entered the country. Further suggestions include the omission of the "third" and "quarter" of a yard or metre [from Article 1 (a)], in order to avoid confusion and possible abuses, and the fixing of a time limit of about three, or at latest six months, for the sale and disposal of any goods in Egypt which are not folded or marked in accordance with the decree.

(6) *Government loans to industry.*—In August, 1922, the Egyptian Government decided to help embryo industries or small industrialists by means of loans not to exceed £E. 1,000 in each case, and with this end in view lent the Banque Misr £E. 100,000 in two instalments at the rate of 2 per cent. per annum which the latter are allowed to lend to industrialists at 6 per cent. per annum. The bank applies before any loans are definitely granted, to the Bureau of Commerce and Industry for advice.

(7) *Bureau of Commerce and Industry.*—This Bureau continues to extend its activities in many ways and to give invaluable assistance to both the internal and foreign trade of Egypt, and to foster and keep the country's native industries before the eyes of the public. One of the most recent methods of achieving this latter object was the inclusion in the Ideal Home Exhibition of examples of Egyptian arts and crafts.

(8) *Economic Council.*—One of the most important measures yet adopted by the Egyptian Government in relation to the commercial economic and financial situation of Egypt, is the creation by Ministerial decision, dated September 2nd, 1922, of an Economic Council under the presidency of the Minister of Finance and composed of 22 members, 7 of whom are Europeans, while 5 are the Under Secretaries for Finance, Education, Communications, Agriculture, and Public Works. The Council's

principal duties, to quote the words of the Minister for Finance under whom it was inaugurated are :—

" On the basis of enquiries and investigations recommended to it either by its own members or by the public, and approved by the Minister of Finance, to make such proposals and suggestions as may tend to the development of the financial and economic resources of the country ; to reconcile the interests of the State with those of the producing classes ; to encourage private initiative ; to advise as to the means of developing the co-operative movement ; to increase the efficiency of public services of an essentially economic character ; and, generally, to support and increase by all means in its power the general economic progress of the country."

Many of the problems which this official consultative body will have to consider and advise upon are of such magnitude and so urgent, that it is to be hoped that its work will not be interrupted.

II.—TRADE.

IMPORTS.

The decrease, amounting to over £E. 12 millions (viz., nearly 22 per cent.) which places imports about £E. 14½ millions below the average for the years 1917–21, is principally due to supplies of cereals having dropped to less than one-third of those of 1921, and to a considerable decline in imports of coal and metalware. Other categories, as will be seen from Appendix V, have in some cases slightly increased, but the majority show a slight decrease.

Coal and Cereals.—Owing to the greatly decreased imports of coal, wheat, and wheat flour (all of which are shown in detail in Appendix VI), the United States constituted the country principally responsible for the total decrease in the value of imports, but the decline in the demand for these three commodities also considerably affected the value of imports from Australia and New Zealand, with a corresponding adverse effect on the share of the British Empire in total imports, in spite of an increase in supplies and value of wheat flour from the United Kingdom, and of so great an improvement in her position as a supplier of coal that, whereas the United States of America's share of the total quantity imported in 1921 was 42 per cent. and fell in 1922 to 8 per cent., the share of the United Kingdom rose from 46 per cent. to 91 per cent.

Decline in British Share and Percentage.—It is true that the decrease in imports from the United Kingdom is not large, relatively speaking, but it is serious in view of the fact that it constitutes a further downward step in the steady decline in the percentages of the British Empire in the total imports into Egypt that has been a feature of the years 1919 to 1922 inclusive. This is clearly seen in Appendix VII, which gives their actual shares and percentages during 1913 (taken for purposes of comparison as the last normal pre-war year), and the years 1917 to 1922 inclusive, together with the averages for the quinquennial period immediately preceding 1922. It will be seen

from the statistics there given that the percentages of both the United Kingdom and the British Empire reached their zenith, of over 50 per cent. for the former and nearly 70 per cent. for the latter, in 1918, whereas in the record year of imports, viz., 1920, the whole British Empire contributed less than 50 per cent. Further, in spite of the steady decline in the years 1919–1921, their respective percentages in 1922 are shown to be appreciably below their averages for the quinquennial period 1917–1921, and to be only slightly above the figures for the year 1913, when the total imports were considerably lower than those of any year from 1918 inclusive.

It is true that the actual totals of imports from the British Empire in 1920 were larger than those of the years 1913 and 1917 to 1919, and thus momentarily converted the decline therein into a rise, but this change for the better merely serves to accentuate the extent to which these totals have fallen in 1921 and 1922.

It is earnestly to be hoped that United Kingdom manufacturers will not delude themselves into thinking that they are in no way to blame for this shrinkage of British trade, and that it is entirely due to external factors such as general trade depression and the difficulty of competing with low currency countries, as well as to internal factors such as those already cited in the first section, as being partly contributory to the decline in total trade. The comparison of British and foreign commercial activities and methods of business (discussed elsewhere in this report) clearly indicates that, *inter alia*, the lack of consideration for, and support of, their agents or representatives, as well as the apathy towards the Egyptian market, that are shown by many British manufacturers, are to an appreciable extent responsible for the success of their foreign competitors, and the consequent gradual lessening of the foothold therein which in pre-war years constituted so marked and invariable a feature of British trade with Egypt.

Principal items in the United Kingdom decreases :— Customs statistics are not yet available giving each country's inclusive total share for 1922 of each commodity it imports into Egypt, or even of each of the categories shown in Appendix V, and, failing these as the only means of accurately comparing United Kingdom imports for 1921 and 1922 in detail, a list of all the articles and commodities in which they have decreased would, unfortunately, take up so much space that it is only possible to mention the most conspicuous instances of the amounts representing approximate thousands of £E. which help to swell the total decrease in 1922 of £E. 2,206,144. These are :—Machines and parts not otherwise enumerated, 244; wrought iron or steel pipes and fittings, 199; cotton piece goods, printed, heavy, 170; printed, light, 27; ditto grey, light, 100; tinplate for petroleum tins, 143; household soap, 138; stationary internal-combustion engines, 87; iron and steel axles, wheels and springs, 80; bars or billets, 48; sheets or plates, 40; and iron or steel articles not other-

wise enumerated, 43 ; sewing cotton in reels, 75 ; beer and whisky, 58 ; rails, 57 ; timber, 55 ; cotton clothing, 46 ; ready-made woollen clothing, 44 ; power pumps, 41.

It is important to note that, as there were increases of varying dimensions in other kinds of goods, the total decrease in British imports above quoted is only the net decrease ; a fact which makes the decline in British exports to Egypt all the more serious.

Shares of Principal Countries.—The British Empire, whose imports have decreased by 5 millions £E. ; the United States, which has dropped from over 8 millions £E. in 1921 to just over 1½ million £E. in 1922 ; and China, with a decline of half-a-million, are responsible for the shrinkage of the 1921 total of imports to the extent of about £E. 12 millions. From the detailed statistics given in Appendix VIII, it will be further seen that imports from Austria, Belgium, Chile, Czecho-Slovakia, Germany, Italy, Russia, Syria and Turkey increased, while those from France, Greece, Holland, Japan, Palestine, Roumania, Sweden and Switzerland declined. The largest proportionate increases among the countries named are those of Austria, Chili, Czechoslovakia, Germany and Syria, while the decreases in the case of Japan, Palestine and Switzerland are proportionately considerable.

COMPETITION.

United States.—The decline of £E. 6½ millions in imports from the United States of America is so conspicuous that it may be of interest to analyse its principal items. Coal, wheat and wheat flour, as will be seen from Appendix VI, account for over 4½ millions between them ; maize and maize flour contribute a further million and more ; locomotives another half million ; kerosene and fuel oil (*see* Appendix IX) over £E. 400,000 ; while timber, railway sleepers and caseboards are responsible for about half the last amount between them.

Cotton Piece Goods.—It is now possible, for the first time since the inauguration on July 1st, 1920, of the special tariff applicable to cotton piece goods which fall under any of the five categories grey, bleached, printed, dyed in the piece, and dyed in the yarn, to compare its effects on imports for two complete calendar years. An explanation of this special tariff will be found in Appendix X, which also includes statistics giving the total value and number of square metres of piece goods under each of the five categories imported by the United Kingdom, Belgium, France, Italy, Japan and the United States of America. This Appendix shows that the United Kingdom's nearest rival in 1922 (as in previous years) was Italy, the increase both in quantity and value of whose imports of "dyed in the piece," and "dyed in the yarn" was proportionately much greater than that in the case of the United Kingdom, and whose imports of "printed" increased both in quantity and value as against a decrease in both from the United Kingdom. Further, in spite of an increased total quantity

of piece goods from the United Kingdom, the total value has slightly decreased, whereas Italy's totals of value and quantity have increased by 40 and 33 per cent. respectively.

Italian competition has been noticeable in the following lines :— *Woven plaid* (labelled "Scotch" by Italian firms) manufactured from cheap yarn dyed in the yarn and generally with a raised back, and some of which contains silk stripes ; this article competes with United Kingdom flannelettes. Besides this, one should mention 54-inch *Sateens* dyed in the piece, *Creponettes*, *prints*, fancy dyed *brocades*, *striped voiles* with artificial silk worked in, *woven stripe reps*, *Crepe stripes*, *cotton trouserings*, 54-inch heavy Imperial *coatings* ; *muslins* and *furnishings*, while cotton *upholstering* fabric from Italy alone appears to have a good sale in Egypt, as United Kingdom products thereof do not compete.

France has imported a certain quantity of velvets, silk cloth, and cotton crimps, but though her imports of prints have increased, those under the other four categories show a considerable falling-off.

American plain imitation *voile** (mercerised plain cloth of quite presentable appearance), *Cabots*,* and imitation embroidered *voiles* known as *Normandy fabric*,* also quite attractive, have had some sale in the Egyptian market, but other lines such as printed *organdie*, and coarse plain cloth, do not appear to have met with much success.

Textiles, general.—Italian and French imports of some lines of *woollen* goods such as in particular low cross-bred serges and lower qualities of Botany serges, have increased appreciably both in quantity and value, but do not as yet constitute a serious challenge to British supremacy in woollen textiles generally.

The value of *cotton hosiery* from Japan has fallen off by about 12 per cent. whereas German imports have risen, as a result of a nearly three-fold increase, from third place in 1921 (when she was only slightly ahead of the United Kingdom and Spain) to first place in 1922 ; while Japan has fallen to a good second from being easily first in 1921. The increase in German imports is, however, not so surprising in view of the depreciation during 1922 of the prices of the fine qualities of Egyptian cotton which would be required for the manufacture of these goods.

The virtually unchallenged supremacy of Syria in imports of mixed textiles mainly of cotton for wearing apparel both in 1921 and 1922 is worthy of notice in view of the fact that their value has increased from £E. 48,000 to £E. 136,000, the corresponding weights in kilogrammes being 27,000 and nearly 77,000. Although these articles are made of silk and cotton and specially manufactured in Syria for Oriental wearing apparel, it would appear to be worth the while of United Kingdom manufacturers to study the possibilities of meeting the increasing demand for this particular line in Egypt.

* Samples may be inspected on application to the Department of Overseas Trade, London.

A striking instance of the abnormal advantage enjoyed by low currency countries is afforded by a comparison between the prices of neckties of Austrian and British manufacture. Austrian neckties of better quality than the British article, can be purchased in Cairo, from the travelling representative of Austrian firms, at the equivalent of 2s. 8d. per dozen, as against 27s. 6d. a dozen for the same style of article ruling in London.

It is also of interest to note that the broader ends of the Austrian necktie are a consideration for summer wear in Egypt, where waistcoats are seldom worn, while salesmen claim that its brighter colours and heavier texture also help it to compete so successfully with the British article.

It is not therefore surprising that United Kingdom imports have fallen 50 per cent., while those of Austria have increased sixfold.

Cement.—Egypt's total annual consumption of cement for the years 1919–1922 is estimated at 33,000 ; 66,000 ; 89,000 and 113,000 metric tons respectively, of which 25,000 tons in 1919 and 1920 and 50,000 tons in 1921 and 1922 were produced locally by the Massara "Portland" cement factory. For 1923, however, the total consumption is estimated at 150,000, of which 100,000 will have to be imported. Of the 63,000 tons imported in 1922 the bulk, viz. 38,000, came from Dalmatia, whose success as compared with British and Belgian imports is purely a matter of price, the c.i.f. Alexandria quotation being P.T. 220 for Dalmatian, as against 240 for Belgian and 280 to 290 for British. To these prices must be added about P.T. 40 for clearance charges in order to compare them with the Massara factory's quotations, which are for delivery at Alexandria, lower both than those of any imported cement, and than those for Massara cement ex-works near Cairo. As regards foreign cement, it should be noted that, although Dalmatian imports have increased from 23,000 metric tons in 1921 to 38,000 in 1922, Belgian imports have risen from 5,360 to 11,440, whereas British cement has only increased from 6,300 to 7,200 tons, and it is understood that Dalmatian imports will tend to decrease, but Belgian to increase still further in view of its superior quality over Dalmatian, and its price being lower than British. It is important to note in this connection that importers prefer British cement to all others because of its superior quality, and would buy it instead of Belgian if the difference in price between the two were only 2s. a ton instead of 8s. to 10s, as at present. In view of Egypt's increasing demand for cement in 1923, and possibly in subsequent years, owing to the house shortage and building activity so much in evidence in Cairo and Alexandria, it would seem to be worth the while of British manufacturers (whose cement is largely dependent for its sale in Egypt on the insistence by certain public authorities on the use of British "Portland") to study the possibilities of making the necessary reduction in their prices with the object of capturing the entire foreign supply of cement for private consumption,

which will probably otherwise eventually become a virtual monopoly for Belgium.

Motor Vehicles.—1922 has been a light car year as the result, primarily, of wholesale conversion of Fiat and Chevrolet four and five-seaters, respectively, into taxi-cabs, particularly in Cairo, where the number licensed in 1921, viz. 308, increased to 612 in 1922; while in Alexandria the number rose from 234 to 383. The success of the light Fiat, in particular, and the consequent increased imports from Italy (as will be seen from the statistics given below) has been due chiefly to the fact that most of the taxi-cab companies are Italian, who have purchased the cars from the agents at what might be termed "wholesale" prices for a certain number, but partly to their much greater hardiness and reliability in the ill-regulated and heterogeneous traffic of this country, and their more economical petrol consumption than, for example, Chevrolet light five-seater cabs, which has recommended them in increasing numbers to private owner-drivers, particularly in the case of two-seaters now obtainable at £E. 360.

American imports, consisting chiefly of Fords and Chevrolets, and to a lesser degree of Buicks and Maxwells (which latter do not seem to appeal to local tastes), have doubled in numbers, whereas French deliveries have decreased considerably, although the popularity of a small yellow two-seater Citroën bids fair to improve the position of French imports during 1923.

British light cars are, comparatively speaking, conspicuous by their absence, and reasons for decreased imports of cars of British manufacture, and suggested remedies for increasing them will be found under the "Motor Trade" sub-heading of "Methods of Business."

The numbers and value of motor vehicles imported from the principal countries in 1921 and 1922 are as follows:—

From	1921.		1922.	
	Number.	£E.	Number.	£E.
United Kingdom ..	88	48,405	57	40,025
Austria ..	15	7,510	48	19,507
Belgium ..	13	18,216	22	13,565
France ..	183	138,952	106	44,932
Germany ..	74	54,934	94	39,849
Italy ..	274	132,020	370	105,189
U.S.A. ..	272	67,935	546	66,831
Total, including others	926	471,563	1,248	331,788

EXPORTS.

Of the increase of £E. 12,360,356 in the value of exports, £E. 11,325,688 has been accounted for by increased exports

in category XII which includes cotton, but, as will be seen from Appendix XII showing the total value of each category, there have also been substantial increases in categories I, IV, VI and XIII. These are chiefly due to increases in eggs of £E. 175,000; onions, £E. 800,000; cotton seed £E. 540,000; cotton seed cake, £E. 120,000; cotton seed oil, £E. 108,000 (all three due to increased exports of cotton); manganese ore, £E. 183,000. There are also increases of £E. 230,000 in benzine and £E. 57,000 in fuel oil, but as these are not produced from Egyptian crude petroleum, and do not therefore constitute exports, they are only cited as factors in the total increase of exports. The principal decreases are those of £E. 142,000 in lentils; £E. 85,000 in wheat flour; £E. 200,000 in hides and skins; £E. 140,000 in phosphate; and £E. 72,000 in cigarettes.

The increases in the value of cotton exported in 1922 to its principal purchasers account for the greater part, if not all, of the total increases in their respective shares of the total value of exports, and Appendix XIII, which gives in detail the individual shares of the parts of the British Empire which import Egyptian produce, shows that the Imperial share of the exports has also increased, in spite of decreases in all cases except the United Kingdom and "Other British Possessions in the Far East."

The £E. 6 millions increase in exports to the United Kingdom is due largely to cotton, but also to an appreciable extent to increased purchases of eggs, onions, cotton seed, cotton seed cake and oil, the bulk of which is usually absorbed by her.

PROMOTION OF TRADE AND INDUSTRY.

Advertising and Commercial Propaganda.—A glance at the Egyptian Customs' statistics reveals the pre-eminent position enjoyed by British whisky in this country, and no commodity is better able to stand, and sell, on its merits alone. Yet we are faced with the paradox that the whisky distillers have a fuller realisation of the truth that "Advertising is the soul of business," than have many British manufacturers of other well-known branded commodities. The variety and extent of their advertisements in the press and on hoardings are an object-lesson to those manufacturers who are content to leave the "pushing" of their goods solely in the hands, and at the expense, of their agents, who either do not realise that advertising their principals' goods will probably result in increased sales, and commission, or, if they do comprehend this probability, have not the present means to undertake publicity campaigns. In any case, however, the theory that agents should pay for the cost of advertising in the hope of increasing their sales, and thereby earning larger commissions, is quite out-of-date. Manufacturers must realise that it is to *their* obvious advantage to make known to the consuming public the merits of their wares, and the reasons why they should be bought in preference to other makes, and that, as they are the initial gainers by an increased turnover, they are logically the people to

pay for the means whereby business is increased. British manufacturers who do not advertise in Egypt are advised to make a trial of an advertising campaign, and judge for themselves whether or not the results justify the expense. Let them emphasise the best selling points of their goods, and keep their prices down to competitive levels.

Whilst on the subject of prices, it should be pointed out that there are large numbers of people who can only afford to pay for goods of medium or inferior quality at corresponding prices, and it is this class of consumer that is so well catered for by Germany. Surely they are worth the attention of the British manufacturer?

The following instances of some of the ways in which advertising campaigns are organised by some of the large retail stores and cigarette manufacturers are not quoted as examples necessarily to be followed by United Kingdom firms, but as proofs of the ingenuity and expenditure which is devoted to advertisement by firms who believe in its efficacy.

One of the largest manufacturing firms, whose advertising schemes have been mentioned in previous annual reports, has an advertisement printed on the back of every tram ticket sold on the Ramleh (Alexandria) Railway Company; while another firm includes in every box of cigarettes sold during April, 1923, a numbered coupon in a lottery for a prize of one million marks. A large grocery and hardware retailer gives his customers with every £E. 1 worth of purchases they make, a chance of drawing a credit Foncier bond; an enterprising firm of retail druggists celebrated the opening of new premises by inviting the public to call and partake of champagne, and accept chances in a lottery for which the first prize was a free first-class passage to England, or its equivalent in cash. In addition 100 further numbers were drawn, and the holders awarded each with a bottle of Eau de Cologne; while one of the most important departmental stores attracted custom on a given day by offering with every purchase made a chance in a lottery for a motor car. A rival establishment has inaugurated a scheme by which a date in the previous month is selected by the drawing of lots, and all purchasers of goods on that date are entitled, within a fixed number of days, to a return of the money spent.

There is, however, one form of advertisement which British firms would, in future years, be well advised to patronise on a very much more extensive scale than was noticeable on the occasion of its inauguration in April, 1923, viz., a trade carnival, in which some two score decorated cars, lorries, carts and animals paraded the city of Cairo and finally passed slowly through the interested crowds of spectators of all nationalities which had flocked to the arena specially prepared for it. The object of the carnival was partly advertisement, and partly to swell the funds of its promoters and beneficiaries, viz., the Société Internationale des Employés du Commerce, many of whose members also took an active part in helping to carry out, mostly in appropriate costumes, the

scheme of decoration and advertisement chosen by their respective employers.

The cinema film industry in Egypt is rapidly advancing towards a position of some importance, as a medium for advertisement in the fullest sense of the word, viz., that of conveying to the bulk of the illiterate population of this country, by means of picture language, an idea of the properties, uses, or qualities of whatever the product or industry, to which it is desired to draw attention, may be.

A Norwegian firm, which supplies nitrates to the Egyptian market, has inaugurated a cinema exhibition in the chief towns and villages, which has met with considerable success, showing views of their factory, detailed working of machinery, workers' houses, and the uses to which the manufactured article is put.

Certain oil companies operating in Egypt recently introduced a similar form of advertisement by showing a pictorial record of the production and treatment of Egyptian petroleum, in which native life and labour figure most prominently.

Industrial Combine.—Mention has already been made, earlier in this report, in connection with the creation of the Economic Council and a Government loan to the Bank Misr, of State schemes for helping industry at large, and small industrialists in particular, but more immediate and appreciable results in the development of industry and production are likely to follow from the formation in June, 1922, of a combine, which, as a start, comprised the heads of 35 of the most important industrial concerns in Egypt, under the title of *Association des Industries en Egypte*.

British, Belgian, French and Italian industrial enterprises form the bulk of the founders, and include such varied interests as waterworks, clothing, spinning, sugar refining, petroleum, tramways, cotton, cold storage, and salt and soda.

The importance of this combine, whose object is to work together for the common good of the industries represented on it, to study the best means of developing them, to protect them in case of need, and to co-ordinate their action to achieve these ends, may be gauged from the fact that the combined capital of the companies concerned exceeds £E. 8 millions, and that the annual subscription for the first four years is £E. 2,000 per company.

Further, as the formation of this combine had the approval of the then Minister for Finance, it is to be hoped that the Egyptian Government will give it all the assistance it legitimately can, when it is required, and realise that an innovation of this nature, provided its influence is properly used, cannot but be of the greatest advantage and source of encouragement and help, to industry in Egypt at large.

Methods of Business.—Textiles.—Local outfitters complain of the long delays in completion of orders by British manufacturers. One well-known local firm of British outfitters who always

pay cash for their goods, stated that orders for collars placed with a United Kingdom manufacturer in December last are not yet ready for shipment. Such action on the part of manufacturers is hardly likely to popularise their wares.

Textile importers complain of the high charges made by British manufacturers for making up and packing of cotton piece goods, which amount to quite 2 per cent. on the value of the goods ; also of the prices charged for pattern cards which, to judge by examples produced, certainly seemed exorbitant for the amount of work done. All these charges, amounting to 4 to 4½ per cent. of the value of the goods, have to be added thereto, whereas, foreign competitors include all these in their prices, which are frequently quoted c.i.f. Alexandria, and which, even though they include the above-mentioned items in the way of extras, are in very many cases considerably below the warehouse prices in Manchester.

The charges for freight are also very high, and, together with insurance, amount to another 2 per cent.

Retailing of Proprietary Articles.—A disconcerting feature of retail purchasing is the disparity in the prices of British proprietary commodities and articles—which in theory should be the same—charged by different shopkeepers, notably in Cairo, and English people seem to be especially marked down for this particular type of victimisation. The remedy seems to be that the manufacturers should insist on a uniform retail selling price for their branded commodities (according to the country to which they are exported), in their own interests, if not in that of the consumer, in view of the fact that many would-be customers are lost owing to their deciding to buy an inferior substitute of foreign make at a cheaper price in preference to trying elsewhere for the British article.

Motor Trade.—The success in Egypt of foreign manufacturers of light cars in competition with those of United Kingdom make in 1922 has already been partly explained under the "Motor Vehicles" section of "Competition," but the failure of British manufacturers is due to the superiority of the business methods of their foreign rivals in the motor trade of Egypt. The makers of the Fiat, Chevrolet, Ford and Citroën light cars, in particular, and of other foreign competitive types of cars, both light and heavy, keep their agents well supplied with a stock, and assure delivery, whereas local agents, who advertise British light cars, have either nothing at all, or only a single specimen to show to enquirers. One very enterprising and energetic English agent for United Kingdom motor car and motor cycle manufacturers has received enquiries for a recently advertised light British car, but in spite of repeated requests to the makers for supplies, has so far met with nothing but postponements of delivery without any definite promise as to when he may expect them.

British light cars could compete in price with the Fiat two-seater, and the reputation of British manufacture for superiority of design, workmanship and material, would ensure them a firm

foothold in the Egyptian market, if only British makers would adopt the successful methods of their foreign rivals, and, instead of insisting, as they often do, on their agent guaranteeing annual sales of a certain number in so changeable and fickle a market as Egypt, guarantee him prompt delivery of supplies when he asks for them.

British manufacturers would also be well advised to take into consideration, and, so far as possible, act upon their agents' recommendations in the matter of alterations in design that will satisfy local requirements, such as left-hand drive, access to the driver's seat on both sides, &c.

If British manufacturers consider it worth their while to study the needs of, and endeavour to capture, the Egyptian market for motor cars, it is imperative that they should earmark a portion of their output for export to Egypt, remembering that booms in England are transitory.

False Folding (Piece Goods) and Other Fraudulent Practices.—It is hoped that the enforcement on and after June 19th, 1923, of the Decree dealing with the false folding or lapping of piece goods (referred to earlier in these pages), will do much to prevent certain unscrupulous foreign competitors and local dealers from continuing their nefarious practices of selling short lengths, but it will be seen from the text of the Decree, given in Appendix XI, that it contains no provision for the prevention of fraud on the part of certain traders who go to the trouble of refolding piece goods after arrival in their stores and before despatch to the provinces.

Another fraudulent practice of which certain Continental firms are guilty is that of selling reels of cotton of short length and protecting themselves by affixing labels marked with words and figures which look like measurements, at a casual glance, as, for example "100 Yens," which might well be mistaken for "100 Yds."

Other equally unscrupulous competitors have approached manufacturers with suggestions that reels containing short lengths, or less than 100 yards, should be labelled "100 Yds."

Textile importers claim that some foreign firms imitate well-known British trade-marks to an extent which just falls short of rendering them liable to prosecution, but at the same time suffices easily to mislead the ordinary native buyer in the provinces who is always anxious to obtain the article which he has purchased before.

III.—INDUSTRY AND PRODUCTION.

INDUSTRIES.

Industries in Egypt are most usefully divided into Mining, General and Native, the two first categories covering industrial enterprises which are largely in the hands of Europeans, while the third applies more particularly to native arts and crafts as well as industries which are indigenous to Egypt and the Near East in general.

Mining.—*Petroleum** from the coast and islands of the Gulf of Suez, is refined at Suez, where imported “crude” is also used for the production of benzine, kerosene, mazout (fuel oil), and other lighter and heavy oils.

*Phosphates**, from the Red Sea Coast and Upper Egypt, are mined chiefly for export to the United Kingdom, Europe and Japan, and they are also used in a pulverised state mixed with farm-yard manure—but only to a small extent—locally. Owing to the absence of the raw material necessary for the production of sulphuric acid, the cost of converting Egyptian phosphates into superphosphates in the country is so prohibitive that schemes for the erection of works and creation of this industry have had to be abandoned, as competition with imported superphosphates would be out of the question.

*Manganiferous iron ore** in Sinai, is exported chiefly to Belgium, Holland and the United Kingdom.

Nitrate Shale in Upper Egypt is used locally in its natural state as a fertilizer.

Crude carbonate and sulphate of soda.—Recovered from salt lakes in the Delta and from the large soda lakes at Wadi Natroon where caustic soda is manufactured. The salines near Alexandria and Port Said are also exploited for the production of sufficient salt for local consumption and for large exports to the East.

Crude sulphate of magnesia collected in Kharga Oasis.

Ochres, found near Assouan, which are utilised in a recently equipped factory at Helouan, near Cairo, for the production of colours, paints, &c.

Gold in the Nubian desert. Mining has been all but abandoned owing to high cost of production.

Peridots of unique quality and size, and nickel ore, are obtained from the island of St. John in the Red Sea.

Quarrying.—The following varieties of rock, stone and clay are quarried or otherwise extracted in Egypt :—

Limestone, in several parts of Egypt ; *basalt*, near Cairo ; *sandstone and quartzite*, near Cairo ; *sandstone and grit*, in the neighbourhood of Aswan ; *granite*, at Aswan.

Marble, *Imperial Porphyry* and other ornamental stones are not being worked because of the high cost of transport from the remote districts where they are abundant.

The *limestone* and *clay* found at Massara near Cairo, is converted into “Portland” cement by a factory on the spot. This belongs to a Belgian company, whose annual production is 50,000 tons, all of which is absorbed by the local market owing to successful competition in prices, rather than quality, with the imported article.

Gypsum is found near Suez and Cairo, and is used both for the manufacture of plaster, and as a fertilizer in finely ground powder form.

* See also Mining Output.

Clay found near Helouan is made into red bricks and tiles.

Aswan clay, the only refractory clay to be found in Egypt is made into firebricks, glazed pipes, &c., and a special clay at Kena is used for making porous native pottery.

Siliceous sand, found near Cairo, is made into sandbricks in a factory on the spot.

General.—The forms of industry arising out of and necessitated by the handling and treatment of cotton for marketing it are too obvious in a country like Egypt to need any reference, but cognate industries such as cottonseed crushing for edible oil and cattle-cake; soap-making with the use of cottonseed oil mixed with locally produced or imported caustic soda; and that of the Filature Nationale (of which fuller details are given in connection with a clothing factory) are worthy of mention in connection with cotton. Soap is also manufactured locally from caustic soda and edible oils, or sulphuric oil, tallow, &c.

Two of the most important industries in Egypt are those of *cigarette making* from tobacco leaf imported chiefly from Greece, Turkey, Russia and China; and *sugar refining*, Egyptian-grown and imported cane being used. Crude molasses is also produced by native factories, but the molasses produced by the Franco-Belgian Company, which owns the only sugar refinery and factories worthy the name, is utilised by a large alcohol distillery which enjoys the virtual monopoly of the manufacture of this commodity in Egypt and is capable of producing over 11,000 tons per annum, a quantity sufficient to cope with the total requirements of Egypt. In this connection there are also local liquor distilleries, breweries and aerated-water factories, all producing on a considerable scale.

One important industrial concern, which is due to Italian enterprise, exploits the refractory and other kinds of clay, limestone, &c., available in the country for the manufacture on a large scale of all kinds of bricks, tiles, glazed pipes, sanitary ware, artistic and household earthenware, ceramics and pottery, laboratory appliances, hydraulic lime and cement, plaster, &c. Staffordshire pottery is also produced at this factory, under English supervision, of so good a quality that the head of this concern contemplates holding exhibitions in Cairo and London.

Engineering works capable of producing spare parts for machinery, boilers and pumps have developed considerably since the war; while at Alexandria and Port Said there are several shipbuilding and repairing works.

The progress in building railway rolling-stock made by the State Railway Carriage workshops in Cairo is astounding, and though the underframes and bogeys still have to be imported from abroad, the excellence of design and workmanship is a marvellous tribute to the thoroughness and careful supervision of the British technical experts who have taught the native coach-builders all they know.

Privately-owned presses for printing books, commercial stationery and newspapers, and establishments for lithographic

production, abound, and are for the most part in native hands ; in the large majority of cases native labour is almost entirely employed, even in the production of European newspapers. The publications issued by the Government Press, and the official maps and plans produced in colour and otherwise by the Survey Department are of a high standard of excellence.

The making of clothing and uniforms by an enterprising private company on a scale that necessitates an organization for retail as well as wholesale distribution, is menaced by the fall in the price of foreign-made clothing, and by the lowness of the tenders submitted by foreign firms for the supply of uniforms to Government Departments, and it is to be feared that the promoters of this enterprise will have to wait some time before they can realise their intention to obtain local raw materials instead of, as at present, importing the cloth from Europe, chiefly Czechoslovakia.

Cotton clothing and yarn for purely native wear or use is, however, manufactured on a more successful basis and a more extensive scale than the foregoing, by the Filature Nationale at Alexandria, which employs about 1,500 work-people and uses 40,000 spindles in the spinning of yarns and grey-sheetings from purely Egyptian cotton of the lower grades. Their annual output for the years 1921 and 1922 was :—

	1921.	1922.
English lbs. of yarn ..	4,000,000	4,250,000
Yards of cloth, grey sheetings	8,000,000	9,000,000

Native.—Among the most widespread and successful of native industries depending to a considerable extent on primitive equipment and tools, are weaving of cotton, wool, silk and linen fabrics ; tanning and leather goods, dyeing, pottery for household use, ornamental brass, silver and copperware, jewellery and basket-making.

Although the weaving of all the above-mentioned fabrics is largely a "cottage" industry, carried on by means of thousands of hand-looms, the excellence of the finished product is in many cases as surprising as the variety of designs and kinds of articles that are turned out. Saddlery and leather goods, in particular, such as suitcases, trunks, attache-cases, gun-cases, &c., are produced locally of such good quality and appearance as to compare very favourably with imported goods, although the raw material is mostly tanned entirely by manual processes.

Boots and shoes are largely made by hand, particularly the sandals and heel-less slippers that have so great a vogue among those of the poorer classes who cannot afford European boots or shoes, or whose calling renders them unsuitable and impracticable.

Rugs and carpets woven from both imported and locally produced wool, and combined with vegetable dyes, are produced in most attractive shapes and designs under the auspices of the Beduin Industries amalgamation ; but these articles are also produced by means of hand spindles and hand-looms, as a purely cottage industry, from sheep's wool, and goat and camel hair.

The dyeing industry in the villages, which colours fabrics in black and blue mostly, using natural indigo from India and synthetic indigo from Europe, is carried on by primitive methods, but the few dyers in Cairo and Alexandria, who have adopted up-to-date methods and use aniline dyes imported from abroad, are capable of producing an extensive range of colours and designs applied to locally-made fabrics of various materials.

Other industries which specialise in artistic and ornamental work are ivory and inlaid wood-work, decorated leather, and ornamental copper, brass and silver-ware and inlay.

Raw materials available locally make it easy for rope and string and articles fashioned from them to be made here in great variety ; as also matting of all shapes, sizes, and designs, made from reeds that grow profusely ; and baskets and osier work, such as chairs and tables, all of these being the result of purely manual labour.

Furniture and general wood-work is, like most of the foregoing, a widespread and important local industry employing some 50,000 hands.

Industries of comparatively recent date consist of the Tarboush factory at Kaha, established in 1909, as the result of purely Egyptian enterprise. Its output varies with the fluctuation of foreign competition, which it finds difficult to combat at times owing to faulty methods of getting the finished article on to the Egyptian market, and to the fact that both the raw materials, *i.e.*, fabric and the dyes, have to be imported.

Bedsteads made of iron and brass are manufactured by a concern in one of the Cairo districts.

Glue making was inaugurated after the outbreak of the war owing to the high prices for, or difficulty of obtaining, the imported product, and there has been produced from raw materials available in Egypt, a kind of glue which is stated to be equal to the best imported.

The manufacture of paints, &c., from mineral colouring materials available in the neighbourhood of Aswan, which has been referred to elsewhere, is a recently established industry due to purely Egyptian enterprise and initiative. The factory erected at Helouan has now been completely equipped, and the promoters hope to increase their production, which amounted to only 430 m. tons in 1921 and 350 in 1922.

One of the most interesting features of the permanent exhibition of Egyptian arts and crafts, which is under the auspices of the Bureau of Commerce and Industry, Cairo, consists of the brass and copper-ware produced by Egyptian skilled labour for household and hospital use, such as geysers, hot-water fittings, appliances for sterilising surgical instruments, etc., whose general appearance, design and workmanship are good enough to stand comparison with all but the very best European manufacturers.

MINING OUTPUT.

Petroleum.—The Anglo-Egyptian Oilfields Ltd., produced, mainly from Hurgada, 171,923 metric tons of Egyptian crude petroleum in 1922, as against 178,284 in 1921 and 145,226 in 1920. The company is continuing exploratory work on other areas under licence, and the Oilfields of Egypt, the Suez Oil Company, the Egyptian Central Oilfields, Ltd., and Gensah Oil Reefs, Ltd., are still drilling in their respective areas, whereas the D'Arcy Exploration and the British Sinai Companies have suspended operations owing to their failure to add new oilfields as the result of drilling. In all 10,902 feet of prospecting drilling was accomplished by private oil companies in 1922. The Egyptian Government continued geological research and exploratory drilling on both sides of the Gulf of Suez, and, as the result of encountering salt at a depth of 3,505 feet at Abu Shaar in the first well drilled, has abandoned it, and is now starting a fresh one, while shallow drilling continues at Abu Durba.

The State refinery at Suez has commenced operations on royalty oil, which is at present obtained entirely from the Anglo-Egyptian Oilfields, Ltd.

Oil Storage Regulations.—The regulations limiting flashpoint of dangerous and non-dangerous oils, and governing the erection of oil storage installations at ports and elsewhere in Egypt, which were first referred to in the report for 1921, have not (at the time of writing) been made public, but are being applied progressively and to each case on its merits. They are still in draft form and the numerous and vital points of divergence therein between the Government and the oil companies who, since May, 1922, have been endeavouring in the interests of the oil trade and industry in Egypt to persuade the competent authorities to reduce their excessive stringency, are still unsettled.

Suez Oiling Basin.—The oil and trade industry of Egypt has been further handicapped by the non-completion of the oiling basin at Suez, as the result of the cancellation in June, 1922, of the original contract for the Suez harbour works, the continuation of which has been in abeyance since then and seems to be doomed to more or less definite postponement.

Oil Trade and Industry.—Appendix IX gives a good idea of the magnitude of the local movement of petroleum products during the year 1922.

Manganese Ore.—The production of the Sinai Mining Company amounted to 104,143 metric tons in 1922 as against 55,065 in 1921 and 77,562 in 1920. Exports rose from 47,140 metric tons, valued at £E.100,946, in 1921 to 111,523 worth £E.283,775, in 1922, the principal purchasers being Belgium and Holland.

Phosphate.—Only 60,220 metric tons of phosphate were produced in 1922 as against 122,024 in 1921, and 114,813 in 1920. This considerable diminution in output was due to poor demand

and offers of prices in some cases below the cost of production, with the result that the mines remained partially shut down. The exports in 1921 were 84,390 metric tons, of a value of £E.185,598, and in 1922 were 18,084 metric tons, of a value of £E.41,806.

Mineral Colours.—The optimism as regards output on the part of the Egyptian-owned factory at Helouan for the manufacture of dry colours and mixed paints from mineral colouring matters has not been justified up to the present.

IV.—TRANSPORT AND COMMUNICATIONS.

Shipping.—*Passenger Traffic.*—It is gratifying to note that the leading British and foreign steamship companies have reduced their regular fares for passengers, and most of them have made further concessions by quoting reduced rates for the summer season.

Tourist Traffic.—Although it is difficult to form more than an approximate idea of the total number of tourists who come to Egypt for, or during, the winter season, it is estimated that, thanks partly to the efforts of the Egypt Promotion Association, and partly to the attraction afforded by the wonderful discoveries at Luxor, the total for the 1922–23 season will amount to about 12,000, and constitute an increase on the 1921–22 numbers. These figures, are, however, very much below those of pre-war seasons, owing partly to the absence of tourists from Austria, Germany, and Russia, and partly to the fact that those from the United Kingdom and the United States of America are not favoured by the exchange in Egypt. Tourist traffic has been considerably facilitated and fostered by the enterprise shown by the White Star and Cunard Lines in establishing their own agencies in this country for the duration of the current season, and by arranging for giant liners such as the *Mauritania*, *Homeric* and others to call at Alexandria.

Quarantine Tariffs.—It is satisfactory to note that the new quarantine tariff, which aroused such opposition in shipping circles when first introduced in 1922, will be further reduced during the Quarantine Board's financial year 1923–24 as the result of the new navigation tax of £E.2 per ship for admission to pratique having been reduced by half, and the cost of pratique guards, who watch ships in quarantine, by 25 per cent. During the recently terminated financial year the cost of disinfection and deratification was reduced by half and the tax on wool exports by 60 per cent., while the tax of P.T. 6 per passenger transiting the Suez Canal was permanently abandoned.

As the great excess of actual over budgetary receipts for 1922–23, which made these latest reductions possible, has been utilised principally for the reduction of the indebtedness that necessitated the creation of fresh sources of revenue in the form of the increased quarantine tariffs of 1922, there is a reasonable prospect of still further reductions beneficial to shipping. The

original charges are therefore quoted below for future reference and comparison :—

		£E.	m/ms.	Remarks.
* Navigation tax, per ship	2	0		Now £E.1.
Passenger tax, per head—				
Arriving in Egypt, 1st and 2nd Class	0	150		—
* Arriving in Egypt, 3rd and 4th Class	0	060		—
* Leaving Egypt, 1st and 2nd Class	0	150		—
* Leaving Egypt, 3rd and 4th Class	0	060		—
* Transiting Canal	0	060		Abolished.
Night Service of any kind	1	000		—
* Mooring boat	0	450		—

* Items thus marked are new taxes.

Suez Harbour Works.—Since the cancellation in June, 1922, of the original contract awarded to a Dutch firm in October, 1918, for the extension of Suez harbour, including an oiling basin to accommodate seven oil-tankers simultaneously, the completion of the scheme has been in abeyance.

The Government has now decided to carry out a large part of the works *en regie*, with its own staff and material.

Local Motor Transport.—The extent to which motor transport has increased in Egypt during 1922 can best be gauged by the following figures of motor vehicles licensed in Cairo and Alexandria in 1921 and 1922.

	Cairo.		Alexandria.	
	1921.	1922.	1921.	1922.
Motor 'buses	79	220	5	—
,, cabs	308	612	234	383
,, cars	1,944	3,163	1,137	1,319
,, cycles	930	1,581	359	494
,, lorries	110	420	104	144
	3,371	5,996	1,839	2,340

It should be noted that the totals for motor lorries at Alexandria include 35 light vans in 1921 and 55 in 1922, and that, while the large majority of the 79 motor 'buses in Cairo in 1921 were private conveyances belonging to hotels, schools, etc., a considerable portion of the 220 in 1922 consist of public omnibuses which ply between points which are either unconnected, or only partially connected by tramways whose fares are appreciably higher than those charged on these motor 'buses. They accommodate, for the most part, 34 passengers and allow ample room for the six who have to stand. All are single-deckers and do not appear at all cumbersome or difficult to handle in traffic. Some of these 'buses are converted Fords for about 10 fares.

Even outside the Cairo radius and in the neighbourhood of the larger provincial towns there are motor-bus services largely patronised by the native population, and even Luxor had its motor transport for tourists desirous of getting quickly to the Tomb.

The increase in the number of motor-cabs has already been dealt with under imports of motor vehicles.

V.—SOCIAL QUESTIONS.

Housing Problem.—It is to be hoped that British manufacturers of building materials will make the most of the activity in the construction of houses and blocks of flats in Cairo and Alexandria which is so much in evidence now, and is borne out by the following comparative figures :—

		Cairo.	Alexandria.
Number of houses existing in 1919 ..		59,386	32,839
" " built " 1920 ..		585	759
" " " " 1921 ..		750	1,033
" " " " 1922 ..		1,161	1,207
Totals		61,882	35,838

The present building activity is attributed to various reasons, of which the principal one is the drop in the price of building materials (in the cost of which a further decline is anticipated), while others are the influx both from the suburbs and from the provinces of people whose standard of life and housing requirements have risen as the result of previous years of prosperity. Landlords find it a profitable investment to build blocks of property with shops on the ground floor, and three or four stories of flats above, which, if centrally situated, are booked up before the building is completed.

An interesting and enterprising experiment is being carried out in the Ramleh residential suburb of Alexandria, under the name of the "Plage Sidi Gaber Building Scheme," with the object of helping to solve the house-shortage problem by selling plots, on a nine-acre estate, to purchasers who agree to build villas thereon. The cost of the land has to be paid in full, together with at least one-third of the cost of the villa, the remainder being spread over a number of years if required. The estimated cost of each villa—designed in accordance with the requirements of the intending purchaser—is submitted, and forms the subject of an agreement between the purchaser, and the promoter of the estate building scheme, who is a well-known British engineer and contractor in Alexandria.

Pending preparation of the plans and estimates for the villa, a provisional deposit has to be made by the intending proprietor for the land, which deposit is refunded if he eventually decides not to build.

A somewhat similar scheme is being carried out on the Island of Rodah, near Cairo, by a land exploitation syndicate.

Cost of Living.—The index number of the cost of living during February, 1923—as regards the native wage-earning class—was about 170 ; but as regards Europeans, and particularly British people, there does not appear to be any sign of a declining movement as yet.

1914 rents are still, in theory, limited to 50 per cent. increase, owing to the extension of the House Rent Law to June 30th, 1924, but in practice many are doubled and in some cases more than doubled, over July 1914 figures. The owners of property built since then continue to hold exaggerated ideas as to the value of flats in their new buildings.

Hotels and pensions seem to have stabilised the high rates which have been in operation during recent years.

APPENDIX I.

EXPORTS OF RAW COTTON DURING THE YEARS 1921 AND 1922.

To	1921.	1922.	Average, 1919-21.
United Kingdom	Cantars. 2,183,797	£E. 13,054,356	Cantars. 2,906,515
Austria ..	27,847	149,678	£E. 17,874,228
Belgium ..	20,214	106,962	12,078 28,030
Czecho-Slovakia	45,374	259,104	170,794 38,589
France ..	413,956	2,460,580	244,639 731,916
Germany ..	263,794	1,428,392	4,504,893 257,449
Italy ..	166,145	929,746	1,591,105 371,327
Japan ..	214,692	1,103,763	2,286,847 178,240
Spain ..	132,070	753,098	1,084,022 186,959
Switzerland ..	245,016	1,303,786	1,129,815 203,970
U.S.A. ..	1,018,412	6,489,248	1,256,507 1,492,562
Total (including other Countries) ..	4,791,717	28,375,249	9,059,488 39,714,845
			5,167,363 56,304,392

APPENDIX II (a).

QUANTITY OF RAW COTTON EXPORTED DURING 1920-21 AND 1921-22 SEASONS, SHOWING DESTINATIONS AND DISTRIBUTION OVER YEARS
1921 AND 1922.

Destination.	September 1st to December 31st.			January 1st to August 31st.			Cotton Seasons.	
	1920 (Col. A).	1921 (Col. B).	1922 (Col. C).	1921 (Col. D).	1922 (Col. E).	(Col. A & D).	(Col. B & E).	
United Kingdom	652,966	Cantars. 1,139,237	Cantars. 1,400,854	Cantars. 1,044,560	Cantars. 1,505,661	Cantars. 1,697,526	Cantars. 2,644,898	
Czecho-Slovakia	3,949	23,485	4,075	21,889	34,514	25,838	57,999	
France	125,141	219,768	326,805	194,188	405,111	319,329	624,879	
Germany	45,400	100,479	79,246	163,315	178,203	208,715	278,682	
Italy	63,529	69,341	151,033	96,804	220,294	160,333	289,635	
Japan	3,142	76,132	104,780	138,560	73,460	141,702	149,592	
Spain	37,285	57,581	97,237	74,489	89,722	111,774	147,303	
Switzerland	83,946	83,049	87,670	161,967	116,300	245,913	199,349	
U.S.A.	107,850	733,033	920,143	285,379	572,419	393,229	1,305,452	
Total, including other Countries	1,147,660	2,538,477	3,211,036	2,253,240	3,268,336	3,400,900	5,806,813	
Value in £E.	..	12,903,005	18,003,190	19,214,821	10,372,059	20,500,024	23,275,064	38,503,214
Average price per Cantar £E. 11.243 m/m.	..	7.092	5.984	4.603	6.272	6.844	6.631	

Note.—The totals of Columns "B" plus "D," and "C" plus "E," will be found in Appendix I.

APPENDIX II (b).

VALUE OF RAW COTTON EXPORTED DURING 1920-21 AND 1921-22 COTTON SEASONS, SHOWING DESTINATIONS AND DISTRIBUTION OVER YEARS 1921 AND 1922.

Destination.	1st September to 31st December.			1st January to 31st August.			Cotton Seasons.	
	1920 (Col. A).	1921 (Col. B).	1922 (Col. C).	1921 (Col. D).	1922 (Col. E).	1920-21 (Cols. A & D).	1921-22 (Cols. B & E).	
United Kingdom	£E. 7,505,075	£E. 8,186,260	£E. 8,324,965	£E. 4,868,096	£E. 9,549,263	£E. 12,373,171	£E. 17,735,523	
Czecho-Slovakia	.. 26,441	.. 167,040	.. 24,910	.. 92,064	.. 219,729	.. 118,505	.. 386,769	
France	.. 1,404,082	.. 1,551,115	.. 1,952,519	.. 909,465	.. 2,552,374	.. 2,313,547	.. 4,103,489	
Germany	.. 484,840	.. 685,935	.. 472,669	.. 742,457	.. 1,118,436	.. 1,227,297	.. 1,804,371	
Italy	.. 687,647	.. 485,357	.. 901,804	.. 444,389	.. 1,385,043	.. 1,132,036	.. 1,870,400	
Japan	.. 20,232	.. 448,709	.. 623,924	.. 655,054	.. 460,098	.. 552,563	.. 675,286	
Spain	.. 420,965	.. 412,535	.. 577,252	.. 340,563	.. 761,528	.. 732,543	.. 908,807	
Switzerland	.. 944,911	.. 570,986	.. 523,964	.. 732,800	.. 1,260,532	.. 3,481,724	.. 1,677,711	
U.S.A.	.. 1,133,448	.. 5,228,716	.. 5,577,764				.. 2,393,980	
Total, including other Countries	.. 12,903,005	.. 18,003,190	.. 19,214,821	.. 10,372,059	.. 20,500,024	.. 23,275,064	.. 38,503,214	
Cantars	.. 1,147,660	.. 2,538,477	.. 3,210,936	.. 2,253,240	.. 3,268,336	.. 3,400,900	.. 5,806,813	
Average price per Cantar ..	£E. 11·243m/ms	7·092	5·984	4·603	6·272	6·844	6·631	

NOTE.—The totals of Columns "B" plus "D," and "C" plus "E" will be found in Appendix I.

APPENDIX III.
PROPORTIONS AND PERCENTAGES OF COTTON AREAS SOWN WITH SAKEL, ASHMOUNI AND OTHER VARIETIES DURING THE YEARS
1917 TO 1922.

Proportions in Feddans.				Percentages of Areas.		
	Lower Egypt.	Upper Egypt. (a)	Whole of Egypt.	Lower Egypt.	Upper Egypt. (a)	Whole of Egypt.
1917	Sakel ..	1,120,124	13,056	1,133,180	86.57	3.4
	Ashmouni ..	178	361,696	361,874	—	94.3
	Others ..	173,485 (b)	8,771	182,256	13.43 (c)	2.3
Total Areas ..	..	1,293,787	383,523	1,677,310	100	100
1918	Sakel ..	938,397	14,084	952,481	91.66	4.8
	Ashmouni ..	377	273,559	273,936	—	93.8
	Others ..	85,114	4,041	89,155	8.34	1.4
Total Areas ..	..	1,023,888	291,684	1,315,572 (d)	100	100
1919	Sakel ..	1,131,581	14,862	1,146,443	92.8	4.2
	Ashmouni ..	217	333,944	334,161	—	94.24
	Others ..	87,505	5,553	93,058	7.2	1.56
Total Areas ..	..	1,219,303	354,359	1,573,662	100	100
1920	Sakel ..	1,255,398	15,083	1,270,481	91	3.36
	Ashmouni ..	2,754	378,764 (e)	381,518	—	84.28 (e)
	Others ..	120,351	55,518	175,869	9	12.36
Total Areas ..	..	1,378,503	449,365	1,827,868	100	100

1921	Sakel	..	..	983,767	11,712	995,479	97.2	4.2
	Ashmouni	..	..	825	262,225 (e)	263,050	—	93.8 (e)
	Others	..	..	27,768	5,592	33,360	2.8	2
Total Areas	..	..	..	1,012,360	279,529	1,291,889 (d)	100	100
1922	Sakel	..	..	1,340,113	18,057	1,358,170	97.24	4.27
	Ashmouni	..	..	7,800 (f)	394,929 (f)	402,729	—	93.42 (f)
	Others	..	..	30,182	9,762	39,944	2.76 (e)	2.31
Total Areas	..	..	..	1,378,095	422,748	1,800,843	100	100
Average—								
1917	Sakel	..	..	1,085,853	13,760	1,099,613	91.84	3.99
to	Ashmouni	..	..		322,037 (e)	322,908	—	92.08 (e)
1921	Others	..	..	98,845	15,895	114,739	8.16	3.93
Total Areas	..	..	..	1,185,568	351,692	1,537,260	100	100

NOTES:

- (a) Upper Egypt includes Middle Egypt.
 (b) Other varieties in Lower Egypt consisted chiefly of Mit Affi and Noubari during 1917-22.
 (c) Percentage of other varieties in Lower Egypt includes Ashmouni and, from 1920 onwards, Zagora.
 (d) Area restricted by legislation.
 (e) Including 97,612 feddans and 21.72 per cent. of Zagora in 1920, and 92,536 feddans and 33.1 per cent. in 1921. In Upper and Middle Egypt Zagora is included also in the Ashmouni averages for 1917-21 for Upper and Whole of Egypt.
 (f) Ashmouni includes 5,831 feddans of Zagora in Lower Egypt, and 120,704 in Upper and Middle Egypt, accounting for 28.55 per cent. of the Ashmouni percentage in the latter region, and 7.02 of this for the whole of Egypt in 1922.

APPENDIX IV.

ACREAGE UNDER COTTON, AND TOTAL YIELD DURING 1917-18 TO 1922-~~23~~²³ SEASONS.

Season.		Acreage in Feddans.	Yield (a) in Cantars.	Average Yield per Feddan.
1917-18	.. ..	1,677,310	6,293,424	3.75
1918-19	.. ..	1,315,572 (b)	4,820,650	3.66
1919-20	.. ..	1,573,662	5,571,632	3.54
1920-21	.. ..	1,827,868	6,035,054	3.30
1921-22	.. ..	1,291,889 (b)	4,352,958	3.37
Average 1917-18 to 1921-22 Seasons..		1,573,260	5,414,743	3.44
1922-31/3/23	..	1,800,843	6,125,000 (c)	3.40

NOTES :—

(a) The yield for completed seasons is the figure for total arrivals at Alexandria from September 1st in one year to August 31st in the next succeeding year.

(b) Area restricted by legislation to one-third of each man's holding.

(c) This figure includes carry-over in the provinces (estimated officially at 289,000 cantars) on September 1st, 1922, and is the total of arrivals up to March 31st, 1923. The official estimate of the crop visible on December 26th, 1922, was 4,895,866 cantars on the basis of 2.72 cantars per feddan.

APPENDIX V.

SUMMARY OF VALUE OF IMPORTS, CLASSIFIED BY CATEGORIES, IN 1921
AND 1922.

Categories.	1921.	1922.	Average, 1917-21.
I.—Animals and animal food products ..	£E. 1,362,461	£E. 1,779,130	£E. 1,820,891
II.—Hides, skins and leather goods ..	534,665	585,130	740,431
III.—Other animal products	56,487	52,421	81,400
IV.—Cereals, flour and agricultural produce	11,564,771	3,907,894	6,004,010
V.—Colonial produce and general grocery	1,352,853	1,376,633	2,317,150
VI.—Spirits, beverages and oils	3,817,557	2,829,151	4,388,485
VII.—Paper and printed matter	998,545	909,789	1,325,375
VIII.—Wood and coal	6,179,055	3,842,267	6,217,894
IX.—Stone, earthenware and glassware	1,128,880	1,265,934	940,516
X.—Dyestuffs, tanstuffs and colours	467,233	441,423	610,311
XI.—Chemical and medicinal products and perfumery	2,399,716	2,964,733	2,954,199
XII.—Yarns and textiles	14,682,793	14,865,308	20,316,531
XIII.—Metals and metal-ware	7,382,381	5,357,161	5,478,946
XIV.—Miscellaneous	1,607,459	1,600,653	1,695,635
Total of Merchandise Imported	53,534,856	41,777,627	54,951,774
Total of Tobacco	1,973,128	1,556,311	2,874,048
Total of Imports	55,507,984	43,333,938	57,825,822

APPENDIX VI.

IMPORTS OF COAL, WHEAT AND WHEAT FLOUR IN 1921 AND 1922.

From	1921.		1922.		Tons.	£E.	Average, 1917-21. Tons.
	Tons.	£E.	Tons.	£E.			
COAL.							
United Kingdom ..	395,811	1,063,375	689,216	1,235,383		410,950	2,678,753
Australia and New Zealand ..	38,747	243,187	—	—		36,467	245,578 (b)
British Possessions in Africa ..	72,788	334,368	—	—		63,767	443,897 (a)
United States of America ..	363,034	1,697,195	61,273	123,721		169,637	1,248,701
Total, including others ..	881,555	3,371,946	751,917	1,361,348		657,623	4,462,590
WHEAT.							
Argentina ..	4,197,161	135,120	—	—	Kilogs.	Kilogs.	Average, 1919-21. Kilogs.
Australia and New Zealand ..	11,056,182	283,817	1,072,483	12,476		10,133,132	268,414 (b)
United States of America ..	27,348,999	903,196	116,616	1,497		23,691,556	574,714
Total, including others ..	42,641,721	1,322,777	1,298,799	15,092		25,126,712	745,056 (b)
WHEAT FLOUR.							
United Kingdom ..	1,569,117	40,927	4,654,169	75,509	Kilogs.	Kilogs.	Average, 1919-21. Kilogs.
Argentina ..	26,314,294	1,114,345	1,243,992	19,556		29,897,189	15,432
Australia and New Zealand ..	86,437,483	2,325,997	50,307,767	77,035		53,199,091	1,466,057 (b)
British India ..	6,190,612	124,764	4,234,456	67,729		3,770,008	1,840,348
Canada ..	19,939	382	1,143,851	19,856		1,412,943	83,767
China ..	10,348,499	221,918	414,221	6,370		3,628,812	77,401
United States of America ..	57,148,847	2,156,825	19,105,740	339,190		31,830,297	80,455
Total, including others ..	197,595,025	6,181,486	108,700,136	1,751,520		116,866,179	1,388,396
(a) Average for 1918-21.							
(b) Average for 1920-21.							

APPENDIX VII.

ACTUAL SHARES AND PERCENTAGES OF TOTAL IMPORTS IN 1913 AND 1917-22 OF THE UNITED KINGDOM AND THE BRITISH EMPIRE.

Year.	Actual Shares.			British Empire.			Total Imports. £E.	Percentages of Total Import.		
	United Kingdom.	Dominions and Colonies.	Total.	United Kingdom.	Dominions and Colonies.	British Empire.		United Kingdom.	Dominions and Colonies.	British Empire.
1913 ..	8,496,483	1,995,495	10,491,978	27,865,195	30.5	7.2	37.7			
1917 ..	14,129,046	5,563,265	19,692,311	33,175,139	42.6	16.8	59.4			
1918 ..	27,077,635	7,883,123	34,960,758	51,155,306	52.9	15.4	68.3			
1919 ..	21,840,957	5,766,332	27,607,289	47,409,717	46.1	12.1	58.2			
1920 ..	37,894,760	10,915,492	48,810,252	101,880,963	37.2	10.7	47.9			
1921 ..	16,937,839	5,771,548(a)	22,709,387(a)	55,507,984	30.5	10.4	40.9			
Average, 1917 to 1921	23,576,047	7,179,952	30,755,999	57,825,822	40.8	12.4	53.2			
1922 ..	14,731,695	3,063,687(b)	17,795,382(b)	43,333,938	34	7.1	41.1			

(a) Excluding imports from Palestine and Mesopotamia valued at £735,195 and £26,237, respectively.

(b) Excluding imports from Palestine and Mesopotamia valued at £531,342 and £28,048, respectively.

APPENDIX VIII.

VALUES OF IMPORTS FROM PRINCIPAL COUNTRIES, 1921 AND 1922.

Country.	1921.	1922.	Average, 1917-21.
United Kingdom	£E. 16,937,839	£E. 14,731,695	£E. 23,576,047
Australia and New Zealand	3,159,417	872,426	2,767,341
British India (c)	1,536,940	1,392,269	2,946,501
British Mediterranean Possessions	304,139	290,880	305,440
British Possessions in Africa	366,328	84,597	549,646
Trinidad	2,104	2,011	Not available.
Canada	108,857	27,631	194,164 (a)
British West Indies	254	Not available.	Not available.
Other British Possessions in the Far East	293,509	393,873	463,850
British Empire Total	22,707,029	17,793,371	30,739,589
Austria	234,397	509,395	272,198 (a)
Belgium	1,210,124	1,409,672	1,503,643 (a)
Chile	267,472	983,070	1,041,105
China	1,082,203	577,375	1,303,811
Czecho-Slovakia	272,561	421,033	267,406 (a)
France	4,167,311	4,020,552	2,692,671
Germany	1,649,458	2,815,786	1,417,729 (a)
Greece	1,282,742	1,202,793	2,005,681
Holland	423,476	415,194	311,437
Italy	3,092,516	3,151,057	3,181,204
Japan	746,856	558,857	1,588,630
Palestine	733,195	531,342	754,074 (b)
Roumania	1,094,464	1,051,006	810,606 (a)
Russia	249,182	320,352	241,520
Sweden	778,347	687,760	655,459
Switzerland	613,033	515,546	649,031
Syria	267,238	719,762	452,868 (b)
Turkey	784,912	881,036	863,855 (b)
U.S.A.	8,355,500	1,590,884	4,693,023
Total, including other countries	55,507,984	43,333,938	57,825,822

NOTE :—

- (a) Gives average for 1920 and 1921 only.
 (b) Gives average for 1919, 1920 and 1921 only.
 (c) Including Aden.

APPENDIX IX.

TABLE A.
IMPORTS OF BENZINE, KEROSENE AND MAZOUT.

	1921.		1922.	
	M. tons.	£E.	M. tons.	£E.
BENZINE.				
Delivered from Suez Refinery	10,598	212,799	3,883	70,205
Imported direct from—				
U.S.A.	2,695	65,441	1,537	29,884
Other Countries.. ..	12	319	5,890	104,685
Total	13,305	278,559	11,210	204,774
Additional total by cases, all Countries	Cases. 20,677	21,842	Cases. 29,959	20,679
KEROSENE.				
Delivered from Suez Refinery	41,004	421,158	33,874	186,180
Imported direct from—				
Persia	8,873	104,260	—	—
Roumania	35,056	264,580	70,770	345,567
Russia	5,996	43,768	16,813	80,477
U.S.A.	46,042	552,410	23,390	167,004
Total	136,971	1,389,176	144,847	779,228
Additional total by cases, all Countries	Cases. 10	5	Cases. 90,260	28,744
OIL FUEL (MAZOUT).				
Delivered from Suez Refinery	22,670	140,121	24,736	110,604
Imported direct from—				
Mexico	50,369	322,596	31,293	112,640
Persia	2,456	23,435	34,274	123,213
U.S.A.	4,805	36,971	6,036	18,889
Other Countries.. ..	2,674	16,023	1,331	4,594
Total	82,974	539,146	97,670	369,940
SOLAR OIL.				
Total Imports	1,832	14,840	3,898	23,190
MINERAL LUBRICATING OIL AND GREASES				
Total Imports	6,424	245,369	8,410	182,569

APPENDIX IX.

TABLE B.
EXPORTS.

OIL FUEL (MAZOUT).

<i>Exports</i>	1922	..	..	M. Tons	19,833	Value £E.	67,332
<i>Re-exports</i>	"	..	..	M. Tons	14,328	"	57,038
<i>Transit</i>	"	..	..	Tons	153,126	"	547,249

KEROSENE.

<i>Exports</i>	"	..	..	M. Tons	248	"	4,124
				Cases	1,097	"	608
<i>Re-exports</i>	"	M. Tons	2,369	"	15,714
				Cases	438,553	"	127,333

<i>*Transit</i>	"	M. Tons	77,072	"	413,385
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BENZINE.

<i>Exports</i>	"	M. Tons	19,332	"	341,719
				Cases	797	"	763
<i>Re-exports</i>	"	M. Tons	563	"	12,951
				Cases	85,465	"	55,197

<i>*Transit</i>	"	M. Tons	100,887	"	1,849,621
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SOLAR OIL.

<i>Exports</i>	"	Kilogs	2,100	"	13
<i>Transit</i>	"	Tons	5,457	"	33,203

MINERAL LUBRICATING OILS & GREASES.

<i>Exports</i>	"	..	..	Kilogs	9,319	"	266
<i>Re-exports</i>	"	..	..	"	307,661	"	8,859

* Obtained from crude petroleum or partly refined petroleum products imported by the Suez Refinery from Persia, Borneo, &c.

APPENDIX X. (a.)

VALUE OF COTTON PIECE GOODS IMPORTED IN 1921 AND 1922, DUTIABLE ON BASIS OF WEIGHT PER SQUARE METRE.

From	Year.	Grey.	Bleached.	Printed.	Dyed in the Piece.	Dyed in the Yarn.	Total.
United Kingdom	1921	£E. 812,874	£E. 1,771,664	£E. 1,962,168	£E. 1,477,240	£E. 599,541	£E. 6,623,487
	1922	771,075	1,851,716	1,765,509	1,515,898	633,470	6,537,668
Belgium	..	..	1,662	9,127	2,391	56,474	69,654
	1921	..	370	5,628	5,792	59,452	71,242
France	..	..	1,009	9,075	56,717	17,729	14,293
	1922	..	330	3,376	76,132	6,041	11,612
Italy	..	..	1,672	9,823	19,319	160,155	97,491
	1921	..	399	19,716	138,666	222,422	670,134
Japan	..	..	53,841	551	2,937	509,098	887,301
	1922	..	28,226	340	480	—	—
U.S.A.	..	..	14,383	851	2,108	1,752	23,556
Total (including other Countries)..	..	..	24,805	2,226	—	9,034	36,065
	1921	..	884,316	1,799,976	2,161,352	1,664,741	7,589,972
	1922	..	825,820	1,879,824	1,997,219	1,762,804	7,708,999
						1,079,587	1,243,332

APPENDIX X (b).

QUANTITY OF COTTON PIECE GOODS IMPORTED IN 1921 AND 1922, DUTYABLE ON BASIS OF WEIGHT PER SQUARE METRE.

From	Year.	Grey.	Bleached.	Printed.	Dyed in the Piece.	Dyed in the Yarn.	Total.
		Square metres.	Square metres.	Square metres.	Square metres.	Square metres.	Square metres.
United Kingdom	1921	41,760,769	55,571,885	39,623,398	27,967,810	9,913,811	174,837,673
	1922	37,204,382	62,536,815	37,839,306	30,651,512	11,233,493	179,465,508
Belgium	..	..	..	41,028	158,019	38,907	1,064,792
	1921	—	—	9,016	109,964	81,327	1,187,337
	1922	22,167	233,572	996,294	391,846	231,561	1,875,440
France	..	..	..	1,394,298	154,904	222,141	1,859,091
	1921	6,815	80,933	—	—	—	—
	1922	68,359	258,718	2,248,322	2,721,903	5,927,199	11,224,501
Italy	..	..	..	2,808,232	4,013,427	8,296,590	15,621,593
	1921	18,310	485,034	—	—	—	—
	1922	1,754,019	17,209	61,889	27,319	73,671	1,934,107
Japan	..	..	..	912,506	8,367	13,507	17,560
	1921	—	—	10,976	—	—	962,916
U.S.A.	..	..	..	23,580	41,445	37,565	36,682
	1921	481,069	—	—	—	—	620,341
	1922	855,452	56,270	—	303,067	—	1,214,789
Total (including other Countries)..	..	44,102,394	56,292,004	43,266,403	31,273,212	17,360,759	192,294,772
	1921	39,023,418	63,237,475	42,399,401	35,293,802	21,260,111	201,154,207
	1922	—	—	—	—	—	—

APPENDIX X.

C.

IMPORTS OF COTTON PIECE GOODS IN 1921 AND 1922 UNDER SPECIAL TARIFF, AND EXPLANATION OF SAME.

The special tariff, under which the Cotton Piece Goods, dealt with in the foregoing statistical table, were imported, was designed by the Customs in collaboration with importers with the object of (i) finding an equitable basis of valuation for the 8 per cent. *ad valorem* duty; (ii) facilitating and accelerating the withdrawal of piece goods from the Customs; (iii) obviating the thefts that used to take place, presumably at the Customs, when bales had to be opened for examination and valuation; and (iv) of precluding the possibility of payment in kind, which involves loss to the Customs.

The principle underlying this tariff is the application of the 8 per cent. *ad valorem* duty to a basis of valuation, consisting of a schedule of prices per kilo, calculated according to the weight per square metre of the goods. These prices vary according to whichever of the five categories—viz., grey, bleached, dyed in the piece, dyed in the yarn, or printed—the goods to be dutied come under, and also decrease as the weight per square metre increases. This schedule is also divided into 12 sections, or ranges of weights per square metre, varying in extent from 25 to 40 grammes, and fabrics are further classified by the Customs into Light, or Heavy Goods, according to whether their weight per square metre is between 1 and 110 grammes, or over 110 and up to 280.

Although there is no object in quoting in full a tariff which has so far been liable to alteration at intervals of one, three, five or six months according to price fluctuations, and which will be out of date before these lines are in print, an abbreviated specimen of the tariff valid till June 30th, 1923, showing the highest and lowest prices per metre-weight fixed for each category, is given below as a matter of interest, and to illustrate the foregoing description.

EGYPTIAN CUSTOMS. IMPORT TARIFF No. 1. COTTON CLOTHS FROM ALL COUNTRIES.

		Prices per kilo for categories.				
No.	Weight per square metre.	A. Grey.	B. Bleached	C. Dyed in Piece.	D. Dyed in Yarn.	E. Printed.
1 12	Up to 25 grammes	Piastres. 36	Piastres. 82	Piastres. 101	Piastres. 84	Piastres. 150
	Up to 280 grammes ..	15	20	30	26	29

NOTE 1.—The tare on all bales of manufactures remains fixed at 3 per cent.

NOTE 2.—This special tariff is not applicable to remnants, embroidered fabrics, or those worked or mixed with real or artificial silk, or to tulles or upholstery fabrics, whether imitation Gobelin or otherwise, provided they are not printed.

APPENDIX XI.

FALSE FOLDING OF COTTON PIECE GOODS.

Summary of Decree in force as from June 19th, 1923.

The Decree provides that :—

All cotton textiles, whether grey, white, bleached or dyed, whether woven with dyed yarns, printed, satineened, schreinered, or figured, as well as nets, gauze for mosquito nets, garments or curtains, can only be withdrawn from the Customs if they are folded and marked in the following manner :—

(a) Folded from one end of the piece to the other, following a uniform length of one metre or one yard (0.914399 metre), as the case may be, or in regular fractions of these measures—that is to say, half, third or quarter of a metre or of a yard.

(b) Marked visibly on the outside of every piece with the indication of the exact number of metres or of yards, or the exact number of fractions of the said measures, contained in the piece. To this effect the figures indicating the numbers of metres or of yards, or of fractions of metres or of yards, must be followed either by the words "metres" or "yards," or by the words "half, third or quarter" of a metre or of a yard, as the case may be.

The importer of any of the goods above mentioned which are not folded and marked in accordance with the stipulations laid down in paragraphs (a) and (b) above will be compelled to re-export them with the shortest possible delay : these goods must be re-exported without payment of the import duty.

NOTE.—The decree was published in the *Journal Officiel*, No. 57, of June 19th, 1922.

A joint letter, addressed on April 20th, 1923, to the Minister of Finance by the President of the British Chamber of Commerce of Egypt and the President of the Egyptian Section of the Manchester Chamber of Commerce, sets out in detail the technical objections to this Decree, and how far it falls short of local requirements, and contains certain suggestions to meet these deficiencies.

The letter can be consulted at the Department of Overseas Trade (Reference 935/23 F.G.).

APPENDIX XII.

SUMMARY OF VALUE OF EXPORTS, CLASSIFIED BY CATEGORIES IN 1921
AND 1922.

Categories.	1921.	1922.	Average, 1917-21.
I.—Animals and animal food products ..	£E. 372,512	£E. 550,089	£E. 376,139
II.—Hides, skins and leather goods ..	443,248	244,066	775,777
III.—Other animal products ..	68,820	84,600	52,872
IV.—Cereals, flour and agricultural produce ..	4,840,616	5,573,397	4,348,031
V.—Colonial produce and general grocery ..	325,636	342,647	949,387
VI.—Spirits, beverages and oils ..	238,406	632,511	218,489
VII.—Paper and printed matter ..	106,801	70,881	145,901
VIII.—Wood and coal ..	55,804	43,489	52,727
IX.—Stone, earthenware and glassware ..	5,933	7,561	7,503
X.—Dyestuffs, tanstuffs and colours ..	53,241	54,095	43,607
XI.—Chemical and medicinal products and perfumery ..	309,955	141,597	420,548
XII.—Yarns and textiles* ..	28,611,329	39,937,017	48,460,073
XIII.—Metals and metal-ware ..	147,564	345,889	133,777
XIV.—Miscellaneous ..	72,677	57,259	78,657
Total of Merchandise Exported	35,652,542	48,085,098	56,063,488
Total of Cigarettes	703,520	631,320	764,927
Total of Exports	36,356,062	48,716,418	56,828,415

* Consisting almost entirely of raw cotton.

APPENDIX XIII.

VALUES OF EXPORTS TO PRINCIPAL COUNTRIES, 1921 AND 1922.

Country.	1921.	1922.	Average, 1917-21.
United Kingdom	£E. 17,045,830	£E. 23,037,260	£E. 29,719,769
Australia and New Zealand	3,627	4,452	49,568
British India*	138,863	133,661	449,159
British Mediterranean Possessions	90,975	54,381	264,744
British Possessions in Africa	24,077	6,737	29,737
Canada	8,469	1,009	7,384
Other British Possessions in the Far East	40,173	41,855	47,975
British Empire Total† ..	17,352,014	23,279,355	30,568,336
Austria	150,165	74,706	91,718 (a)
Belgium	190,473	291,348	145,350 (a)
Czecho-Slovakia	259,134	246,212	121,261 (a)
France	2,832,942	4,896,578	4,283,204
Germany	1,486,951	1,909,543	564,977 (a)
Greece	415,778	207,831	658,597
Holland	169,689	265,096	155,937 (a)
Italy	1,145,142	2,613,658	2,567,860
Japan	1,150,239	1,101,447	1,328,185
Palestine	944,181	743,941	451,711 (a)
Spain	815,028	1,139,558	877,226
Switzerland	1,346,187	1,279,185	1,449,969
Syria	525,940	411,320	350,416 (a)
Turkey	410,028	206,604	219,918 (a)
U.S.A.	6,523,615	9,190,906	11,812,201
Total, including other Countries	36,356,062	48,716,418	56,828,415

(a) Gives average for 1919-21 only.

* Including Aden.

† Excluding an insignificant amount of trade with the British West Indies, etc.

APPENDIX XIV.

CUSTOMS AND EXCISE DUTIES (IN FORCE IN APRIL, 1923).

(a) *Customs Duties*.—The Customs Duty on all imports into Egypt is 8 per cent. *ad valorem*, and on all exports 1 per cent. *ad valorem*, with the following exceptions :—

1. *Specific* duties are charged on *Imported Alcohol* as follows :—
 - (a) 200 milliemes per litre of pure alcohol is levied on all alcohol and alcoholic liquids, but certain liquors, such as brandy, whisky, rum, etc., are taxed at the rate of 100 milliemes per litre of liquid, provided that they do not contain more than 50 per cent. of alcohol.
 - (b) 170 milliemes per litre of liquid on perfumery containing alcohol. The importer has the option of paying duty on the actual alcoholic strength, i.e., 200 milliemes per litre of alcohol.
 - (c) The above rates are only applicable when the amount of the duty is higher than 10 per cent. of the value of the goods. In this case the specified duty must be paid on the alcohol, and the *ad valorem* duty of 8 per cent. must be paid on the value of the rest after deducting the cost of the alcohol. In the event of the specific duty being lower than 10 per cent. of the value, 10 per cent. of this value is paid.
 - (d) Wines containing more than 23 per cent. of alcohol by volume are liable to the above specific duty.
 - (e) Wines containing not more than 23 per cent. of alcohol by volume, beer, and all liquids not containing more than 2 per cent. of alcohol by volume, are exempt from the specific duty and subject to that of 8 per cent. *ad valorem*.
 - (f) The duty on denatured alcohol is 2 milliemes per kilogramme. The denaturation must be carried out under the Customs supervision.
 - (g) Packing cases, bottles, labels, capsules, fancy boxes, etc., forming part of the consignments of alcohol and alcoholic liquids, are in all cases taxed at the rate of 8 per cent. *ad valorem*.

N.B.—No refund is granted on alcohol and alcoholic liquids when re-exported.

2. An additional *Consumption Duty* of 2 per cent. *ad valorem* is imposed on the following articles :—

- (a) *Liquids*.—Ammonia, beer, cider, castor oil, colza oil, hydrochloric acid, nitric acid, sulphuric acid, and turpentine.
- (b) *Foodstuffs*.—Apricots (dried or in paste), cinnamon, cloves, cocoa, coconut oil, coffee, condensed milk, figs (dried), gelatine, locust beans, meat and fish (tinned or potted), nuts, pepper, plums (dried), and tea.
- (c) *Building Materials*.—Asphalt, bitumized or tarred felt or paper, cast-iron pipes, iron and steel angles, and bars, iron and steel girders, iron and steel galvanized sheets, iron and steel plates and tubes, lead piping, marble, pitch, sheet-lead, sheet-zinc, window and plate glass.

3. *Tobacco*.

- (a) *Leaf Tobacco* :—
 General tariff—820 milliemes per kilogramme.
 Special ,, 800 ,, ,, ,,

- (b) Leaf Tobacco, stripped of its petiole or mid-rib :—
 General tariff—920 milliemes per kilogramme.
 Special „ 900 „ „ „
- (c) Manufactured Tobacco, such as cut and pressed tobacco, snuff, and cigarettes :—
 General tariff—£E.1 ·020 m/m. per kilogramme.
 Special „ £E.1 ·000 m/m. „ „
- (d) Cigars of all kinds and from all sources :—
 £E.1 per kilogramme,

Drawback of 600 milliemes is granted on each kilogramme of tobacco re-exported from Egypt in the form of cigarettes or cut tobacco. No export duty is collected on manufactured tobacco and cigarettes re-exported.

NOTE.—The special tariff for tobacco is only applied to tobacco accompanied by a certificate of origin from countries which have concluded a Commercial Agreement with Egypt.

4. *Petroleum Products.*—Kerosene, 4 per cent. *ad valorem*; benzine and mineral lubricating oils, 15 per cent. *ad valorem*, an additional Consumption Duty of 2 per cent. *ad valorem* being imposed on mineral lubricating oils, whether imported as finished products or produced locally from imported crude oil.

5. *Timber and Wood.*—10 per cent. *ad valorem*, but firewood 4 per cent. *ad valorem*.

6. *Fertilizers*, books, and printed matter are exempt from import duty. (NOTE.—The exemption of fertilizers from import duty is subject to renewal every year, but the material used for the packing of these articles is subject to the payment of Customs duty and dues.)

7. *Prohibited imports* are: Military arms and ammunition, explosives, cotton and cotton-seed, tobacco-seed, juice, extract or substitute of tobacco, hashish-seed, foreign silver, nickel, bronze or copper coins, and obscene printed matter.

NOTE.—The definition of *ad valorem for imports* is the value of the article in the country where it was produced at the date of its clearance for consumption in Egypt, plus all freights, insurance, packing, etc., to the Egyptian port of landing. That of *exports ad valorem* is the value f.o.b. the Egyptian port of shipment.

The values of certain articles are by agreement between the Customs Administration and importers, fixed for a period not exceeding one year, and the *ad valorem* duty is collected on these values, particulars of which are regularly communicated to the Department of Overseas Trade.

Quay and Paving Dues are levied, in addition to Customs duties, on imports and exports, as follows :—

(a) *On Imports.*

Quay Dues at—

Alexandria and Suez, $4\frac{1}{2}$ per thousand *ad valorem*. Port Said, 7 per thousand *ad valorem*.

On imported tobacco, $\frac{1}{2}$ millieme per kilo at all ports.

Paving Dues at—

Alexandria, $\frac{1}{2}$ per thousand *ad valorem*. Port Said (optional), 1 per thousand *ad valorem*.

On imported tobacco, $\frac{1}{2}$ millieme per kilo at Alexandria and Port Said (optional).

(b) *On Exports.*

Quay Dues at—

Alexandria, Port Said and Suez, 12 per thousand *ad valorem*.

On exported tobacco, $1\frac{1}{2}$ milliemes per kilo at all three ports.

Paving Dues—

Are paid for at the same rate as on Imports.

(b) *Excise Duties.*

1. *Cotton.*—The tax on ginned cotton has been reduced from piastre .35 to piastre .25 per cantar.

2. *Petroleum.*—Products derived from Egyptian crude oil are subject to the following Excise Duties :—

Benzine and lubricating oils, 11 per cent. *ad valorem*. Mazout (fuel oil), and all other products except kerosene, 4 per cent. *ad valorem*.

Oil burnt in the Refinery is also liable to Excise Duty.

3. *Alcohol*, whether industrial or other, and all spirits, liqueurs and alcoholic beverages, distilled locally, are subject to an Excise Duty of 195 milliemes per litre of absolute alcohol contained therein.

4. The same liquids, foodstuffs and building materials as those to which Consumption Dues (see above) apply are subject, if locally produced, to an Excise duty of 2 per cent. *ad valorem*, with the exception of mineral lubricating oil, which is already provided for under petroleum products of Egyptian origin.

5. The Filature Nationale at Alexandria has to pay 4 per cent. on the invoice value of its manufactures if sold in Egypt and the Sudan (but not if exported overseas).

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